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THE NATIONAL INTERESTS OF THE UNITED  
STATES IN SOUTHEAST ASIA: POLICY CHANGES FOR  
THEIR PROTECTION AND PROMOTION SINCE THE  
WITHDRAWAL FROM THE NAVAL BASE AT SUBIC  
BAY

by

Karen A. Hasselman

December, 1993

Thesis Advisor:

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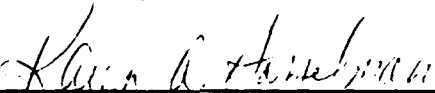
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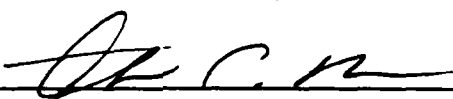
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## ABSTRACT

In November 1992, the United States withdrew its military forces from facilities in the Republic of the Philippines. The United States must now reassess its commitments, and the means and policies it will employ in protecting and promoting its national interests in the post-Cold War era. This thesis examines the author's perceived global national interests of the United States in the post-Cold War era, based upon the Preamble of the United States Constitution. United States national interests abroad include protection of American lives and property, economic prosperity, and international goodwill. The perceived national interests of the United States in the East-Asia/Pacific (EA/P) Region, with particular emphasis placed on the Southeast Asian sub-region, are discussed. This thesis then examines the political, social, and economic evolution of the Southeast Asian sub-region, including the Association of Southeast Asian Nations (ASEAN), and historical United States national interests in the Southeast Asian sub-region. Past means and policies of the United States to protect and promote its interests in the Southeast Asian sub-region are reviewed. Finally, the opportunities and challenges now facing the United States in devising future means and policies to promote and protect United States national interests, as well as those of other nations, in the East-Asian Pacific Region are explained.

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## EXECUTIVE SUMMARY

With the departure of United States' military forces from facilities in the Republic of the Philippines, the United States has been given the opportunity and challenge to reassess its commitments and capabilities in protecting its national interests on the far side of the Pacific. The success or failure, on the part of the United States, to rise to this occasion will surely determine the degree to which it can claim to be tomorrow's leader.

Realizing that the United States has permanent long term interests all over the world (including Southeast Asia), the recent departure of the United States from Subic Bay in the Philippines does not allow for the United States to abandon those interests, or weaken its capacity to protect and promote those interests that remain. A permanent United States military presence in the East-Asia/Pacific (EA/P) region, although adjusted for the post-Cold War environment, is universally desired. However, with the current state of the art of war and technology, so visibly demonstrated during the Gulf War, the United States can (presumably) allow for a readjustment of presence without jeopardizing its own survival.

As the United States takes a new look across the Pacific, it must modify its past policies to maintain their effectiveness. There is no longer any common enemy to pretend to contain. All nations must be considered as friendly until proven otherwise. When countries share common interests, there is generally no need for an alliance. The non-aligned countries can no longer be dismissed as insignificant in global and regional balances of power.

In refining past policies to determine their validity in a post-Cold War world, the opinions of other concerned nations cannot be overlooked or ignored. Each Asian nation

is developing in its own way, at its own pace, and will "democratize" as conditions allow. Dislocations between the market-driven countries and the former centrally-planned countries are enormous, and the needs and concerns of each nation in alleviating the disparity between the economic haves and have nots must be considered.

As the United States continues to capitalize on its peace dividend, long range trends indicate that the United States will be actively involved and committed in EA/P stability and progress. United States national interests in the region are significant and rapidly growing. As the United States continues its efforts at domestic economic renewal, new arrangements for the stability and progress of the entire EA/P region must be fostered. These arrangements will run the entire gamut of security, economics, and international goodwill. Every nation from Russia, Japan and Korea in the northeast to the Association of Southeast Asian Nations (ASEAN) in the southeast must be engaged in continuous dialogue. Security frameworks must now be based on the common interests and concerns of all nations.

Realizing that the post-Cold War era is going to be more competitive in economic than military terms, the mighty United States must update its economic productivity and prowess to match its vaunted military power. The role of nonmilitary methods in protecting and promoting United States national interests must be restructured and enhanced to effectively reflect the post-Cold War environment.

The embarrassments and difficulties which now characterize domestic conditions within the United States, make it amply evident that the security and economic burdens accepted by the United States have been excessive. The old philosophy of the Cold War is gone. It is no longer enough to maximize American military strength to contain a

common enemy. It is now incumbent on American policy makers to take a proportionate role in the quest for a new world order of benefit to everyone. Security planners must give constant consideration to the interests and images of other concerned nations because the United States does not always know what is best for other countries.

## I. INTRODUCTION

Since the beginning of perestroika and glasnost, the United States' view of the world, and the contributions it intends to make towards that world, have been in a constant state of flux. The collapse of the Soviet Union has left the United States alone as the only legitimate superpower for a brief moment in history. Realizing the instability inherent in such a condition, the United states is now working to accomplish a new global system, for example a "tripolar world, driven by the Americas, by Europe, and by Asia." [Ref. 1] While this tripolar economic system has been in place for over a decade now, in the long run a series of other power centers such as China, India, Brazil, and even Nigeria could possibly emerge.

While the global system is being redefined, a new regional balance of power game is under way in East Asia and the Pacific (EA/P). With the departure of the United States' military forces from facilities in the Republic of the Philippines, the United States has been given the challenge and the opportunity to reassess its commitments and capabilities in protecting its national interests on the far side of the Pacific. This paper is particularly concerned with the sub-region of Southeast Asia.

The success or failure, on the part of the United States, to rise to this occasion will surely determine the degree to which it can claim to be tomorrow's leader. The United States appears to be free to pursue its own parochial national interests without worrying about the defense of the "free world." Where its national interests coincide with the national interests of others, the United States will act multilaterally or collectively. Where its national interests conflict with others, the United States must act independently, and make its own judgments how far to intervene or to stay at home.

Realizing that the United States has permanent long term interests all over the world (including Southeast Asia), the recent departure of the United States from Subic Bay in the Philippines does not allow for the United States to abandon those interests, or weaken its capacity to protect and promote those interests that remain. A permanent United States military presence in the EA/P region, although adjusted for the post-Cold war environment, is universally desired. However, with the current state of the art of war and technology, so visibly demonstrated during the Gulf War, the United States can (presumably) allow for a readjustment of presence without jeopardizing its own survival.

As the United States takes a new look across the Pacific, it must modify its past policies to maintain their effectiveness. Realizing that the post-Cold War era is going

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The embarrassments and difficulties which now characterize domestic conditions within the United States, make it amply evident that the security and economic burdens accepted by the United States have been excessive. New arrangements for the stability and progress of the entire EA/P region must be fostered, and they will run the entire gamut of security, economics and international goodwill. Every nation from Russia, Japan and Korea in the northeast to the Association of Southeast Asian Nations (ASEAN) in the southeast must be engaged in continuous dialogue. The old philosophy of the Cold War is gone. It is no longer enough to maximize American military strength to contain a common enemy. It is now incumbent on American policy makers to take a proportionate role in the quest for a new world order of benefit to everyone.

This thesis examines the author's perceived global national interests of the United States in the post-Cold War era, based upon the Preamble of the United States Constitution. United States national interests abroad include protection of American lives and property, economic

prosperity, and international goodwill. The perceived national interests of the United States in the EA/P region, with particular emphasis placed on the Southeast Asian sub-region, are discussed. This thesis then examines the political, social, and economic evolution of the Southeast Asian sub-region, including the Association of Southeast Asian Nations (ASEAN), and historical United States national interests in the Southeast Asian sub-region. Past means and policies of the United States to protect and promote its interests in the Southeast Asian sub-region are reviewed. Finally, the opportunities and challenges now facing the United States in devising future means and policies to promote and protect United States national interests, as well as those of other nations, in the EA/P region are explained.



## **II. PERCEPTION OF NATIONAL INTERESTS OF THE UNITED STATES**

Amidst the transformation taking place in international relations, it is useful to bear in mind that United States interests in Asia have been remarkably consistent over the past two centuries: Commercial access to the region; freedom of navigation; and the prevention of the rise of any hegemonic power or coalition. [Ref. 2]

### **A. AS DEFINED IN 1993 NATIONAL SECURITY STRATEGY**

Before assessing United States regional national interests in the EA/P region, United States global national interests must be assessed. The 1993 National Security Strategy defines United States global interests and objectives as follows:

- The security of the United States as a free and independent nation, and the protection of its fundamental values, institutions and people.
- Global and regional stability which encourages peaceful change and progress.
- Open, democratic and representative political systems worldwide.
- An open international trading and economic system which benefits all participants.
- An enduring global faith in America - that it can and will lead in a collective response to the world's crisis. [Ref. 3]

### **B. UNOFFICIAL INTERPRETATION OF THE NATIONAL INTEREST**

With the end of the Cold War, and subsequent detachment from the Cold War ally/axis paradigm, the above national interests leave one wanting in specific American values and

ideology. In short, what sets the United States national interests apart from the rest of the world's nations' national interests? They all say survival is essential. They all say they desire a stable and secure world. Who speaks for America? What does America stand for?

First of all, the protection of the United States as a free and independent nation, and the protection of its fundamental values and institutions, cannot be done by relying on military methods alone. The security of the United States as a free and independent nation along with the protection of its fundamental values and institutions is the responsibility of the American government acting on behalf of the American people. A \$4 trillion debt encroaches on the independence of the United States and cannot be paid off by the Seventh Fleet. Brotherhood, the underlying foundation of American values, cannot be instilled by military coercion in a democracy. Values can only be instilled through religious and civic education. American institutions, which provide the fundamental checks and balances on governmental power, can only be eroded by the quality and integrity (character) of personnel that staff them.

A second point of American uniqueness is its advocacy of open, democratic and representative political systems worldwide, along with supporting human rights. These interests are allegedly paramount in the ideology that America relies upon to project its values abroad. However, I question

the practicality and advisability of doing so under this facade in the post-cold war environment. While these are wonderful ideological goals that were quite effective in defeating the evil empire, they leave the United States open to charges of hypocrisy<sup>1</sup>, and encroach upon fundamental national interests described below. Let me explain why.

I do not feel that the American people are in the mood to support, or desire to fund, Pax-Americana. While extraneous circumstances may have facilitated a Pax-Americana during the Cold War (under the auspices of capitalist leadership versus communist leadership), or a similar system may have been fine for the British during Britain's imperial and colonial years, it is not prudent or possible for the United States in today's instant communications world. Furthermore, the United States does not have the resources (time, money, wisdom, or popular support) to pursue such an idealistic mission.<sup>2</sup>

America has been blessed with abundant natural resources and with a geographical position that protects her coastlines with vast oceans and unaggressive neighbors. These features have allowed the United States to pursue democratic government

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<sup>1</sup> We support King Fahd in Saudi Arabia which is hardly a democracy. Are we going to force Saudi Arabia to pursue democratic government? Do we really want to undermine his legitimacy? Is it fair to allow his authoritarian rule while bemoaning China for its authoritarian rule?

<sup>2</sup> Continuing the pursuit of Pax-Americana will defacto bequeath over \$4 trillion in national debt to America's posterity, essentially taxation without representation.

by educating her citizens and building a wealthy nation. It is unreasonable to expect other nations, without the same advantages and resources, to be able to vigorously pursue democratic government. We need only look to our experiment for the past ninety-five years in the Philippines.

The United States annexed the Philippines in 1898, with the intention of proving to the rest of the world that America was different; it would make the Philippines the showcase of American democracy. It is nearly a century later, substantial resources (time, money, lives) have been devoted to the development of the Philippines, and the Philippines is far from any semblance of a democratic government that any American citizen would tolerate. Granted, the United States has had her own periods of decay and development, but the Philippines has only provided a democratic facade for the entrenched oligarchy. The people of the countryside are essentially serfs of the land-owning elite. Does the Philippine government deserve to couch its legitimacy in the name of democracy? To be more succinct,

When we pretend that supporting 'democracy' is paramount, are we not kidding ourselves? When is 'democracy' in name the same thing as 'democracy' in fact? Is a rigged election sufficient to justify a claim to democracy? How far can any state abuse the principles and practices of democracy and still be entitled to its name? And since when has the existence of a so-called democratic government given any assurance that its policies will be friendly? [Ref. 4]

Thirdly, the United States is in no position to guarantee or even define a universally recognized code of human rights.

The United Nations 1993 Vienna conference declared that

the promotion and protection of all human rights is a legitimate concern of the international community.

However, each nation, each people has its own concepts of human rights as opposed to the needs of society; and each will react upon its own sovereign prerogative to enforce its own ideas. It is presumptuous of the United States to preach to others, for example China, Indonesia or the Philippines, about ideals of human rights.

It is also important to recognize that the Judeo-Christian value system is not at all superior to the Confucian, or any other, value system. It is better to nurture good relationships where value systems converge, instead of passing judgement on comparative good. Asian governments resent the United States pushing Western concepts of democracy and human rights on them. They are working hard to develop and modernize their nations while consistently improving the vital statistics of their people.<sup>3</sup> They remain wary of working closely with the United States in trade and security forums because they fear that the United States will use such forums to try to dictate democracy and human rights policies. The purported national interest of promoting democracy and human

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<sup>3</sup> By vital statistics I mean life expectancy, literacy, birth rates, per capita income.

rights may even encroach upon the fundamental national interest of economic prosperity for the citizens of the United States. Would it not be better to judge governments by their fruits, instead of their form? For these reasons, encouraging democracy and human rights would be better stated as one means/policy of promoting domestic tranquility and domestic justice, not an end. Therefore, encouraging democracy and human rights should be used as one (of many) foreign policy tool to promote and protect American fundamental national interests on a case by case (or region by region) basis.

A point I would raise in questioning usual definitions of the national interests of the United States concerns the usual insistence upon an open international trading system as a national interest of the United States. Are we going to isolate (or use military force on) a country if they do not want to open portions of their agricultural markets? Are not governments obliged to allow their citizens to be farmers if that is indeed what they want to do?<sup>4</sup>

Today, many are questioning just how open an international trading system can realistically be. Even Adam Smith drew the line at security, implying that some semblance of an industrial policy (state intervention) may be required to ensure the means of production for national

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<sup>4</sup> If the citizens of a nation want their tax dollars to subsidize farming, instead of using the tax dollars for other social services, is it not their freedom to choose?

defense.[Ref. 5] Therefore, an open international trading system should be stated as one policy of promoting economic prosperity, not an end.

A fourth problem with the United States' national interests is assuming America's global leadership role to be desirable and necessary. While the United States wants to ensure the global community that it will lead in (or support) a collective response to the world's crises, this pretention to leadership should be carefully harnessed and reserved for potential global crisis, such as another Persian Gulf war, unobstructed nuclear weapons proliferation, the collapse of political and/or economic reforms in Russia, the collapse of eventual political and current economic reforms in China's opening up to the world, or conflicts of interest between two or more of the major powers.<sup>5</sup> As one of the major powers in the international system, the United States will need to remain engaged to encourage others, and assist when necessary, in maintaining favorable global and regional balances of power within the international system. However, the United States, superpower or not, is not omnipotent nor responsible for (nor does it have the jurisdiction for) governing the world. In

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<sup>5</sup> Using the United States power for less than vital interests or major power conflicts results in half-hearted interventions that ultimately reduces others perceptions of the United States power, encourages ambitious rulers to challenge that power, and causes the United States bureaucracy to precipitately react to restore bruised egos (so called credibility), rather than decisively act through careful analysis and reason.

addition, leadership is not dictating how the international system will be devised. Leadership is not picking which national leaders others should support and those they should not.<sup>6</sup> Leadership is the subtle art of providing guidance and direction on what needs to be done (while encouraging feedback) and offering support and/or suggestions when asked, while allowing presumed followers the freedom to choose the path they feel most constructive for themselves.<sup>7</sup>

#### **C. RELEVANCE OF THE PREAMBLE OF THE U.S. CONSTITUTION IN DETERMINING NATIONAL INTERESTS**

In leaving the Cold War paradigm behind, American long-term national interests should be reassessed and prioritized to ensure that other defined national interests and objectives do not encroach upon fundamental interests. To define fundamental, long-term national interests, and hence their priority, the preamble of the constitution, a social contract

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<sup>6</sup> For example, who is the United States to tell Cambodia that the Khmer Rouge can not participate in their new government, or that it is alright for Russian leaders to crack down on civil disobedience but it is not alright for Indonesia or the Peoples Republic of China.

<sup>7</sup> When touring the United Nations in June 1993, I was struck by the recent donation of the people of the United States to the United Nations. The donation was a mosaic art design which encompassed pictures of all the ethnicities/cultures of the world. Indian, Japanese, Chinese, Arab, American, European, African, Latino, etc. peoples were all depicted on the art work - and they were all smiling. The caption on the art design stated "Do unto others as you would have them do unto you." It would be wise for the United States to start practicing what it preaches.



between the United States government and its people, must be consulted.[Ref. 6] Specifically,

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.  
[Ref. 7]

In examining the Preamble, American fundamental, long-term national interests can be summed up as follows:

- Unity of the states.
- Domestic justice (Equality of all before the law).
- Domestic tranquility.
- Defense of Americans.
- Economic prosperity.
- Liberty (Freedom to choose without outside interference).

If U.S. policy makers define national interests and objectives that are something other than what is included in the above statement, then these new interests should be thoroughly examined to determine if they encroach on fundamental interests.[Ref 6] In short, there is no national interest or objective that is more important than these fundamental interests. There is no state-sponsored value projection ideology that represents the United States better than the transference of American national interests on a global scale (i.e., United we stand, divided we falter; rule of law; constructive social development; protection of human beings;

progressive economic development; and, uninhibited freedom to choose).<sup>8</sup>

Now that fundamental, long-term American national interests are defined, interests that cross national borders can be addressed. Unity, justice and tranquility are essentially domestic interests that can only be vigorously pursued by Americans themselves.<sup>9</sup> Therefore, the last three interests, Americans, economic prosperity, and liberty will be examined within the context of the EA/P region.

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<sup>8</sup> It is also wise to recognize that all other nations have a similar list of priorities. The art of diplomacy is reconciling our list with theirs.

<sup>9</sup> Understandably, as the world continues to get smaller, these interests will increasingly cross national borders, such as environmental protection, immigration and refugee policy. however, these issues will best be solved by fostering international goodwill.

### **III. U.S. NATIONAL INTERESTS AND OBJECTIVES IN THE EA/P REGION**

#### **A. AS DEFINED IN A STRATEGIC FRAMEWORK FOR THE ASIAN PACIFIC RIM (REPORT TO CONGRESS 1992)**

The 1992 East Asia strategy report lists United States security interests in Asia as follows:

- Protecting the United States and its allies from attack
- Maintaining regional peace and stability
- Preserving our political and economic access
- Contributing to nuclear deterrence
- Fostering the growth of democracy and human rights
- Stopping proliferation of nuclear, chemical and biological weapons, and ballistic missile systems
- Ensuring the freedom of navigation
- Reducing illicit drug trafficking [Ref 2]

#### **B. AS DEFINED IN 1993 NATIONAL SECURITY STRATEGY**

The 1993 National Security Strategy defines United States national interests and objectives in the EA/P region as follows:

- Maintenance of a strategic framework which reflects the United States status as a Pacific power and promotes its engagement in Asia. The key to the United States' strategic framework has been, and will continue to be, its alliance with Japan.
- Expansion of markets through bilateral, regional, and multilateral arrangements.

- Support, contain, or balance the emergence of China onto the world stage to protect United States national interests.
- Through constructive engagement, foster the peaceful unification process on the Korean peninsula.
- Encourage the normalization of Indochina and the expansion and development of the Association of East Asian Nations.  
[Ref 3]

#### **C. AS DEFINED DURING WINSTON LORD'S CONFIRMATION HEARINGS**

Today, no region in the world is more important for the United States than Asia and the Pacific. Tomorrow, in the 21st century, no region will be as important.  
[Ref. 8]

During confirmation hearings for Assistant Secretary of State for East Asian and Pacific Affairs on March 31, 1993, Winston Lord designated the following ten major goals, not listed in any order, for American policy in Asia and the Pacific:

- Forging a fresh global partnership with Japan that reflects a more mature balance of responsibilities;
- Erasing the nuclear threat and moving toward peaceful reconciliation on the Korean Peninsula;
- Restoring firm foundations for cooperation with a China where political openness catches up with economic reform;
- Deepening our ties with ASEAN as it broadens its membership and scope;
- Obtaining the fullest possible accounting of our missing in action as we normalize our relations with Vietnam;
- Securing a peaceful, independent and democratic Cambodia;
- Strengthening APEC (Asia-Pacific Economic Cooperation) as the cornerstone of Asian-Pacific economic cooperation;

- Developing multilateral forums for security consultations while maintaining the solid foundations of our alliances;
- Spurring regional cooperation on global challenges like the environment, refugees, health, narcotics, non-proliferation, and arms sales; and
- Promoting democracy and human rights where freedom has yet to flower. [Ref 8]

However, while alluding to "enormous stakes in the Pacific," stating that the "firmest guarantees of America's staying power in Asia are our overriding national interests," and reiterating that America has permanent interests that do not change every four years, specific United States national interests are absent from Winston Lord's confirmation hearings.[Ref 8] Therefore, drawing from national interests derived from the Preamble of the United States Constitution in Chapter One, specific national interests in the EA/P region will be assessed.

#### **D. SPECIFIC NATIONAL INTERESTS IN THE EA/P REGION**

Drawing from the above statements and the Preamble of the Constitution, fundamental, long-term national interests of the United States in the EA/P region can be summarized as protection of American lives and property, promoting economic prosperity, and fostering international goodwill.

##### **1. Protection of American Lives and Property**

Over three million Americans currently work and live abroad who are not directly employed by the American

government.<sup>10</sup> However, Americans living overseas who are not employed by the United States government have not been included in any official census since 1970. In that census, 41,791 Americans were accounted for that resided in the EA/P region, of which 2,652 resided in China, 14,749 resided in Japan, 1,966 resided in South Korea, 6,317 resided in the Philippines, 7,234 resided in Vietnam, and 9,053 lived in other Southeast Asia.[Ref. 9] Nevertheless, these people by their very existence abroad are supporting American national interests of economic prosperity and international goodwill.

Put in the context of footsoldiers, Americans abroad live and work in the trenches of international trade and in so doing, advance our own economy overseas.[Ref. 10]

As the United States government encourages businesses to pursue export-oriented growth, the number of Americans overseas in the EA/P region will continue to increase. These Americans are well positioned to help the United States compete in the global business game, imports as well as exports. In addition, their first hand knowledge with other cultures provides American companies with important insight into foreign markets, and if the United States plans to get ahead in the international economy, it will be encouraging its

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<sup>10</sup> Valid documentation as to where these three million civilian Americans reside, by country, was unavailable at the time of publishing this thesis. A freedom of information request was required to receive this information from the Department of State.

citizens to promote American ideals and products abroad. [Ref 10]

Thus, the United States has an inherent obligation to look after the safety, prosperity, and liberty of Americans living abroad. Safety includes the defense of Americans abroad by ensuring their timely evacuation in a crisis situation. It is also the obligation of the American government to see that its citizens get equal protection of host governments and equal treatment in courts of law. We want no privileges or no adverse discrimination. Prosperity includes the ease of Americans pursuing economic relations abroad without letting governmental political relations hamper their efforts - i.e., Most Favored Nation trade status and/or embargoes.<sup>11</sup> Liberty includes cooperative, amiable relations with foreign governments (to foster international goodwill) so that Americans abroad get the same protection and the same privileges as anyone else, no more or less, and the same goes for foreigners in the United States. [Ref 4]

In addition to civilian Americans living overseas, the United States Department of Defense currently has over 200,000 personnel living abroad in the EA/P region to promote and protect American interests.[Ref. 11] Table 1 breaks down where these persons reside.

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<sup>11</sup> George Washington's Farewell Address warned that "the great rule of conduct for us, in regard to foreign Nations, is, in extending our commercial relations, to have with them as little political connection as possible."

TABLE 1  
DEPARTMENT OF DEFENSE PERSONNEL IN EAST ASIA AND PACIFIC  
(AS OF MARCH 31, 1993)

COUNTRY	TOTAL	MILITARY	CIVILIAN	DEPENDENT
AUSTRALIA	987	393	43	551
BURMA	21	10	0	11
CAMBODIA	8	7	1	0
CHINA	58	31	0	27
FIJI	6	2	0	4
HONG KONG	74	31	0	43
INDONESIA	176	50	91	35
JAPAN	119,948	46,948	22,400	50,600
S. KOREA	60,788	35,946	13,707	11,135
LAOS	5	5	0	0
MALAYSIA	73	25	7	41
NEW ZEALAND	120	61	8	51
PHILIPPINES	369	114	93	162
SINGAPORE	359	156	28	175
THAILAND	372	115	168	89
VIETNAM	4	3	1	0
AFLOAT	21,066	21,066	0	0
TOTAL	204,434	104,963	36,547	62,924

Source: Department of Defense, Worldwide Manpower Distribution By Geographic Area.

Since the United States government stations civilian and military personnel abroad, it has an inherent obligation to look after their protection and welfare. Thus we have special status of forces agreements. Military personnel must be granted the flexibility and mobility to protect themselves



along with civilian counterparts and dependents, if the need arises. As was seen in the Philippines, anti-Americanism can quickly become a rallying point<sup>12</sup> for less than altruistic politicians, and cause uneducated/uninformed populace to strike out against American personnel.<sup>13</sup> With nationalism on the rise in Asia, the wisdom of keeping a permanent United States military presence on foreign soil, without the flexibility or mobility to defend themselves and others (so they can decisively act instead of precipitously react), will increasingly be called into question.

The United States government is also responsible for the common defense of its foreign service officers, peace corps and diplomatic corps. If an unfavorable crisis arises, and other vital interests are not at risk, means (policies and plans) must be available to evacuate diplomatic personnel (in conjunction with civilian personnel) from foreign soil or otherwise provide for their safety.

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<sup>12</sup> This rallying point is usually used to create a sense of victimology so governments can remain in obsessive denial of their own problems, shortcomings and character defaults.

<sup>13</sup> Five American military personnel were slain in the Philippines between 1989 and 1991, simply because they were Americans.

## **2. Economic Prosperity**

### **a. Two-way Trade**

United States global two-way trade<sup>14</sup> with the EA/P region (see Appendix A) surpassed two-way trade with Western Europe in 1976. While two-way trade with Western Europe has remained relatively constant since 1978, two-way trade with the EA/P region has continued to grow. In 1992, 36 percent of the United States global two-way trade was with the EA/P region, while 23 percent was with Western Europe, and 34 percent was within the Western Hemisphere.

In addition, over 39 percent of the United States two-way trade is now with developing nations. In 1992, the EA/P region accounted for over 51 percent of this trade, followed by 38 percent with the Western Hemisphere, 10 percent with the Middle East, 6 percent with Africa, and 3 percent with the former Warsaw Pact states.

Within the EA/P region (see Appendix B), United States two-way trade\*<sup>15</sup> with Japan has declined from a high of 54 percent in 1972 to 41 percent in 1992. Two-way trade\* with Australia and New Zealand has also declined from a high of 9

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<sup>14</sup> All trade data was obtained from the Direction of Trade Statistics Yearbook published by the International Monetary Fund.

<sup>15</sup> An \* following two-way trade means that this trade is accounted for as a percentage of total two-way trade between the United States and Asia.

of 9 percent and 3 percent, respectively, in 1966 to 4 percent and 1 percent, respectively, in 1992.

On the other hand, United States two-way trade\* with Greater China (mainland China, Taiwan, and Hong Kong), has increased from 8 percent in 1966 to 26 percent in 1992. United States two-way trade\* has also increased with South Korea from 4 percent in 1966 to 9 percent in 1992,<sup>16</sup> and with the Southeast Asian sub-region from 15 percent in 1966 to 17 percent in 1992.<sup>17</sup>

#### **b. Exports**

The Commerce Department states that since 1987, 55 percent of the growth of the United States gross domestic product (GDP) has come from United States exports. [Ref. 12] The National Export Strategy, recently unveiled by Commerce Secretary Ron Brown, is expected to lead the way toward sustained U.S. growth, economic security and job creation. [Ref 12] Therefore, to support the economic renewal of the United States' domestic economy, the United States government will be relying increasingly on expanding markets for United States exports.

United States global exports (see Appendix C) to Asia equalled exports to Europe in 1984 at 25 percent.

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<sup>16</sup> The high of two-way trade\* with South Korea was in 1988 at 11 percent.

<sup>17</sup> The high of two-way trade\* with Southeast Asia was 20 percent in 1980.

Looking at United States global exports in a dynamic context, though, exports to Asia have increased from 22 percent in 1966 to 29 percent in 1992 while exports to Europe have declined from 32 percent in 1966 to 25 percent in 1992. Exports to countries within the Western Hemisphere have remained relatively static at 37-38 percent from 1966 to 1992. In addition, over 30 percent of United States exports are now going to developing countries. The brunt of these exports are going to Western hemisphere countries (42 percent in 1992 which is down from 47% in 1966) and EA/P region countries (41 percent in 1992 which is up from 34 percent in 1966).

Looking at United States exports\*<sup>18</sup> to the EA/P region (see Appendix D), 36 percent of United States exports went to Japan in 1966. These exports\* increased to 48 percent in 1972 but, have steadily declined since back to 36 percent in 1992. In addition, United States exports\* to Australia and New Zealand have decreased from a high of 10 percent and 2 percent, respectively, in 1966 to 7 percent and 1 percent, respectively, in 1992.

On the other hand, United States exports\* to the EA/P region have been steadily increasing to Greater China (7 percent in 1966 to 24 percent in 1992). This increase is also evident in United States exports\* to South Korea (5 percent in

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<sup>18</sup> An \* following exports means that this trade is accounted for as a percentage of total exports between the United States and the EA/P region.

1966 to 11 percent in 1992) and to countries in the Southeast Asian sub-region (15 percent in 1966 to 18 percent in 1992).

**c. Imports**

While the value of imports is frequently overlooked, imports provide jobs (receiving terminals, distributors, warehousing, etc), provide competition for United States companies, and provide consumers with cheaper prices. Therefore, to support American economic renewal, increased competition, and the shift to high-value manufacturing, the United States will continue to import goods to provide Americans the best value for their dollars.

United States global imports (see Appendix E) from Asia equalled imports from Europe in 1972 at 28 percent. Looking at United States global imports in a dynamic context, though, imports from Asia have increased from 21 percent in 1966 to 42 percent in 1992 while imports from Europe have declined from 31 percent in 1968 to 21 percent in 1992. Imports to the United States from within the Western Hemisphere have also declined from a high of 43 percent in 1968 to 31 percent in 1992. In addition, over 40 percent of United States imports are now coming from developing countries. The brunt of these imports are coming from the EA/P region (54 percent in 1992 which is up from 25 percent in 1966) and the Western Hemisphere (31 percent in 1992 which is down significantly from 61 percent in 1966).

Looking at United States imports\*<sup>19</sup> from the EA/P region (see Appendix F), Japan comprised 43 percent of the market in 1992 (which is down from a high of 59 percent in 1972). In addition, United States imports\* from Australia and New Zealand have decreased from a high of 7 percent and 3 percent, respectively, in 1966 to 2 percent and 1 percent, respectively, in 1992.

On the other hand, United States imports\* from the EA/P region have been steadily increasing from Greater China (10 percent in 1966 to 27 percent in 1992) and from South Korea (2 percent in 1966 to 8 percent in 1992). United States imports\* from the countries in the Southeast Asian sub-region have remained relatively static from 1966 to 1992 at 16 percent.

#### **d. Investments**

United States global direct investment abroad<sup>20</sup> (see Appendix G) is substantially higher in Europe than in Asia, initially due to the Marshall Plan, later due to the ease of capital transfer following the integration of the European Community. In 1992, 49 percent of total direct investment abroad was in Europe, while 32 percent was in the

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<sup>19</sup> An \* following imports means that this trade is accounted for as a percentage of total imports between the United States and the EA/P region.

<sup>20</sup> All direct investment abroad data was obtained from the Survey of Current Business published by the United States Department of Commerce.

Western Hemisphere and 16 percent was in Asia. In numbers, 1992 United States direct investment position abroad amounts to over \$239 billion in Europe, over \$157 billion in the Western Hemisphere, and over \$78 billion in Asia. However, average annual rate of return on investment from 1987-1991 was highest in Asia, at 16.6 percent, followed by 14 percent in Europe, and 10.5 percent in the Western Hemisphere.

In addition, over 27 percent of United States direct investment abroad is now in developing countries. The majority of developing country investment is in countries in the Western Hemisphere (67 percent in 1992 which is down from 80 percent in 1966) and in countries in the EA/P region (24 percent in 1992 which is up from 12 percent in 1966).

The United States direct investment position abroad in the EA/P region in 1992 was over \$78 billion (see Appendix H). Table 2 breaks out this investment by industry. One third of United States direct investment abroad in the EA/P region is in Japan. Other investment includes \$2.7 billion in South Korea, \$11.8 billion in Greater China, \$16.6 billion in Australia, \$3.0 billion in New Zealand, and \$16.7 billion in Southeast Asian countries.

The average annual rate of return on direct investment abroad from 1987-1991, however, is highest for Southeast Asian countries at 26.5 percent, followed by 20.3 percent for Greater China, 12.0 percent for Australia, 11.2

percent for Japan, 10.2 percent for South Korea, and 7.8 percent for New Zealand.

TABLE 2  
1992 UNITED STATES DIRECT INVESTMENT POSITION ABROAD IN  
THE EA/P REGION BY INDUSTRY  
(IN MILLIONS OF DOLLARS)

MANUFACTURING	30,808
PETROLEUM	14,893
WHOLESALE	12,169
BANKING	5,086
FINANCE, INSURANCE, REAL ESTATE	6,960
SERVICES	1,739
OTHER	6,508
TOTAL	78,163

Source: United States Department of Commerce, Survey of Current Business.

**e. Jobs**

According to the U.S. Commerce Department, every \$1 billion of exports supports about 20,000 jobs. [Ref. 13] In addition, export-related jobs pay 17 percent more than the average United States job. [Ref 12]

In 1992, United States global exports employed over 8.9 million Americans. Of these 8.9 million American jobs, 3.32 million are supported by exports to the Western Hemisphere, 2.64 million are supported by exports to the EA/P region, and 2.28 million are supported by exports to Western Europe.



Within the EA/P region, United States exports have doubled since 1986. This doubling of exports increased the employment of Americans from 1.25 million jobs, just six years ago, to 2.64 million American jobs in 1992. Employment provided to Americans from exports to Japan, Greater China, Southeast Asian countries, South Korea, Australia, and New Zealand total over 955,000, 634,800, 479,840, 292,600, 178,260, and 26,140, respectively. In the past six years, the rate of increase in jobs from exports to Japan, Greater China, Southeast Asian countries, South Korea, Australia and New Zealand were 177 percent, 272 percent, 278 percent, 230 percent, 160 percent and 148 percent, respectively.

### **3. International Goodwill**

Observe good faith and justice towards all nations.  
Cultivate peace and harmony with all.[Ref. 14]

To secure the blessings of liberty for ourselves and our posterity, America needs constructive, open relations with all nations that prosper in goodwill.<sup>21</sup> During the Cold War, the United States diplomatic and military corps provided the bulk of goodwill to friends and allies by promoting peace and freedom abroad.

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<sup>21</sup> While freedoms are guaranteed in the Bill of Rights, it must be remembered that America was built on brotherhood, the belief that all men should act brotherly toward one another, regardless of differences in race, creed, nationality, etc. If we can not respect one another, guaranteed rights quickly encroach upon one another - witness America today.

However, in leaving the Cold War paradigm behind, this goodwill must be expanded to include more than friends and allies that sided with the United States during the Cold War. While maintenance of these friendships may be desirable, goodwill is also desired from those who have now seen the fallacy of previous ways (former Warsaw Pact) and those striving for modernization<sup>22</sup> and peaceful coexistence (non-aligned). Healthy and cooperative relations with other governments help to advance common interests, increase mutual understanding, and provide direction and feedback in trying to make sense out of a dynamic, perplexing world. Some examples of promoting international goodwill include: scientific and technical exchanges, the United States peace corps, missionary efforts, famine relief assistance, sponsoring diplomatic negotiations for the peaceful resolution of disputes, and encouraging student exchanges through the United States Information Agency.

In the upheaval taking place in international relations today, we must remember that interests are permanent, allies and enemies are not. There is no telling who tomorrow's friends and foes will be. It would be prudent policy not to point any fingers or burn any bridges for short-term political capital without thinking through the long-term political ramifications.

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<sup>22</sup> Modernization does not necessarily mean Westernization.

Clearly, the United States has significant, long-term national interests in the EA/P region. In addition, United States interests in the EA/P region have been growing faster than in other regions of the world. However, with the withdrawal of United States military forces from facilities in the Republic of the Philippines, is the Southeast Asian sub-region still important to the United States? What percentage of EA/P region interests lie within the sub-region of Southeast Asia? Where will Southeast Asia fall in regards to United States military and security policy in the Post-cold war era? These are the questions that must be addressed in formulating our future policies towards the entire EA/P region and its Southeast Asian component.

#### **IV. THE SOUTHEAST ASIAN SUB-REGION**

##### **A. BACKGROUND**

Southeast Asia is a region of remarkable diversity, consisting of the mainland Southeast Asian states of Vietnam, Cambodia, Laos, Burma and Thailand, and insular Southeast Asia consisting of Malaysia, Indonesia, Singapore, Brunei, and the Philippines. This region has been a cultural and trade crossroads for centuries between the east and west. Except for geographic proximity and a tropical ecology, few characteristics link these diverse states into a coherent whole. [Ref. 15]

Nevertheless, most Southeast Asian countries share certain patterns: a colonial past; a postwar struggle for independence and modernization; religious penetration by Islam, Hinduism, Buddhism, and Christianity; agricultural economies that have been overtaken by manufacturing in the past decade; reliance on patron-client bonds for achieving goals; and a strong sense of the village as the primary unit of identity. [Ref 15]

When the twentieth century opened, England controlled Burma, Malaya (now Malaysia and Singapore), and parts of Borneo (including Brunei); France was supreme in Indochina (Vietnam, Laos, and Cambodia); and, Thailand preserved her

independence between the French and British possessions by playing each of the great powers off against the other. The Netherlands held most of the East Indies (Indonesia) while the United States governed the Philippines. Between 1900 and 1941, all these areas, whether colonial or not, displayed certain similarities (with remarkable differences) in their historical development. Governments adopted policies which the West considered to be increasingly enlightened in order to cope with the rising tide of nationalism. Economic issues became as bitter as political issues in the struggle between rulers and ruled.

Social and cultural changes kept in sync with politics and economics. The usual conflict existed between those who clung to the old ways (rural villages) and those who yearned for the progress the twentieth century was to provide, primarily in the cities. Cultural movements were helpful and harmful from a political point of view. While religion, education, art and literature were called upon to establish a national identity as in Cambodia or Indonesia, other instances of cultural revival only intensified the elements of diversity, as in Burma or Malaya. Southeast Asia was near the end of the colonial era when the Japanese unleashed their attack in 1941.

Following the Second World War, Vietnam, Laos, Cambodia, Burma and Indonesia took advantage of hostilities to wrest their independence from their former colonial masters. The same happened in the Philippines, Singapore, Malaysia, and

Brunei. With the receipt of their newly found independence, each country began to develop its state in its own ways. Thailand, Malaysia, Singapore, Indonesia, and the Philippines chose semi-democratic<sup>23</sup> forms of government for political development, while Burma hung to a military authoritarian government and Brunei retained its absolute monarchy. Sporadically, Vietnam, Cambodia and Laos followed the communist authoritarian model for government.[Ref 15]

When the Cold War began to spill over into Southeast Asia, a division soon became apparent. The non-communist, open societies of Malaysia, Singapore, Thailand, Indonesia, Brunei, and the Philippines became one bloc, while Vietnam leaned toward communism. Burma remained neutral and isolated its country from the internal happenings of Southeast Asia. Indonesia, Cambodia and Laos joined Burma as a leading light of the non-aligned combination.

The fragileness of each of the Southeast Asian countries should not be underestimated. The potential for civil war and/or civil disobedience must constantly be monitored, and how the Southeast Asian leadership handles the distribution between the economic haves and have nots will continue to determine their own survivability in the future. At the same

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<sup>23</sup> Neher defines semi-democratic as those nations with a semblance of citizen involvement in choosing governmental leaders, the executive leader not fully accountable to the legislative branch, a high degree of civil liberties - with some exceptions - to ensure "law and order" and autonomous groups representing the interests of the people.

time, the countries of Southeast Asia are moving in the direction of greater national resilience and self-reliance. Their prospects rest on each country's internal capacity to meet the needs of its people and to assure them a higher standard of living. Each nation must strike its own bargain between requirements for growth and stability, authority and freedom, regional interdependence and nationalism, and modernization and cultural integrity.[Ref 15]

While there is considerable diversity in the makeup of the individual Southeast Asian countries, Lucian Pye provides evidence that there is a common outlook for the countries in Asia. Specifically,

Conventional wisdom, holding that at times it is appropriate to minimize Europe's diversities and concentrate on its common heritage, judges Asia's differences to be unmanageable. Comparisons within Europe are thus considered justifiable, while attempts to compare Asian countries are like 'comparing apples and oranges.' If we reflect on those comparisons within Asia which come most naturally, it soon becomes apparent that they share one quality: it is not that they are variations on a common past, as with the countries of Europe, but rather that they share similar hopes for the future. The common element in Asia is that it is a continent in pursuit of economic growth, national power, and all that can be lumped together under the general label of modernization. The unity of Europe lies in its history; the unity of Asia is in the more subtle, but no less real, shared consciousness of the desirability of change and of making a future different from the past.[Ref. 16]

This common outlook is most prevalent in an analysis of the Association of Southeast Asian Nations.

## **B. THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS**

The Association of Southeast Asian Nations (ASEAN) is frequently cited as a shining example of regional cooperation. Comprised of the free-market, non-communist states of the Southeast Asian sub-region - Indonesia, Malaysia, Singapore, Thailand, and the Philippines, with the addition of Brunei in 1984 - ASEAN was established in 1967.<sup>24</sup>

ASEAN's publicly stated primary objective was to foster intra-ASEAN economic, social, and cultural cooperation. Still suffering from internal fragmentation as newly independent states, though, the member countries were clearly aware of the need for enhanced security cooperation against internal communist insurgency for the sake of regime stability.<sup>25</sup> They were inherently hostile towards any possible aggression from the outside, as they were as suspicious of the Americans as they had previously been of the Europeans. Therefore, a closer examination of ASEAN's performance over the past 25 years indicates that ASEAN has been far more successful in the diplomatic and political arena than on the economic cooperation front.[Ref. 17] In fact, the ASEAN experience strongly suggests that the commitment of the member states to the continued maintenance of ASEAN has less to do with its

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<sup>24</sup> Earlier attempts at coordination failed. It was only the uncertainties of the United States-Vietnam war that brought Asians together.

<sup>25</sup> ASEAN members had widely accepted the then prevalent domino theory.



economic role and more in its utility as a diplomatic and political tool.[Ref 17]

Initial ASEAN security perceptions were based on Cold War realities that for Thailand, the Philippines and Singapore included a reliance upon a United States military presence in the region. The non-aligned countries of Malaysia and Indonesia, however, formulated a basis for decoupling the region from superpower rivalry: the Zone of Peace, Freedom, and Neutrality (ZOPFAN) in the Kuala Lumpur declaration of November 1971. [Ref. 18] ZOPFAN signified an aspiration that gave expression to Indonesian and Malaysian desire to remove superpower military presence from Southeast Asia. The compromise that was achieved between these two viewpoints involved an acceptance of ZOPFAN as the higher plane of ASEAN toward which the organization should evolve, while reaffirming the temporary role of the United States military presence in the Philippines and Thailand.[Ref 18]

After the United States withdrawal from Vietnam, ASEAN members went on a military-hardware buying spree, mostly purchased from Uncle Sam, and closer collaboration was initiated among ASEAN members in political as well as economic and social matters (deja vu). The ASEAN countries developed a somewhat united political front against Vietnamese hegemony in Indochina in 1976, with Thailand being designated as the front-line state for the security of ASEAN. However, fearing that ASEAN would be seen by its neighbors as a replacement for

the now defunct Southeast Asia Treaty Organization (SEATO), the countries limited themselves to bi- or multi-lateral border security cooperation by some members of ASEAN, and refused to turn the association into a defense pact.[Ref. 19]

In addition, the first ASEAN Summit in Bali in 1976 affirmed a commitment to regional order based on the territorial status quo which was enshrined in the Treaty of Amity and Cooperation. This treaty was in direct response to the devastation previously wrought by Indonesia's campaign against Malaysia (1963-66), which exposed the dangers of territorial revisionism and the need for common affirmation of the post-colonial frontiers.[Ref 18] Moreover, the fear of communist insurgency, especially with the withdrawal of the United States military from Vietnam on less than favorable terms, prompted Southeast Asian leaders to coordinate political responses against communism in general.[Ref 18] In their relations with one another, the signatories to the Treaty of Amity and Co-operation in Southeast Asia were to be guided by the following fundamental principles:

- Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations;
- The right of every state to lead its national existence free from external interference, subversion or coercion;
- Non-interference in the internal affairs of one another;
- Settlement of differences or disputes by peaceful means;

- Renunciation of the threat or use of force; and
- Effective cooperation among themselves.[Ref. 20]

Vietnam's invasion and subsequent occupation of Cambodia (December 1978-September 1989) was the test of ASEAN's commitment to regional order, and its success in terms of focusing the international community's attention upon a territorial revision by force or arms endowed ASEAN with a unique sense of status.[Ref 18] Due to the Cambodian invasion and the subsequent movement of Soviet maritime forces into Cam Ran Bay, regular meetings of ASEAN foreign ministers and senior officials were initiated which forged common diplomatic positions over the Cambodian conflict as well as economic relations with major trading partners such as the United States, Japan, and the European Community. Until 1989 ASEAN leaned entirely towards the side of the non-communist world.

Fearing an indefinite postponement of ZOPFAN as a result of the stalemate in Cambodia and intensifying great power rivalry in Southeast Asia, the ASEAN foreign ministers revived the Working Group on ZOPFAN in 1984.[Ref. 21] The following year they directed it to develop a detailed elaboration of the principles, objectives and elements of a nuclear weapons-free zone in Southeast Asia (SEANWFZ), which was advanced as a component of ZOPFAN. The ASEAN heads of government meeting, at their third summit in Manila in December 1987, directed the Working Group to work towards the early realization of ZOPFAN and a SEANWFZ.[Ref 21]

Vietnam's withdrawal from Cambodia in 1989 was an indication that Vietnam recognized that the principle of territorial status quo, which had governed relations between the ASEAN countries, extended to Indochina as well.<sup>26</sup> [Ref 18] The extension of this principle to a communist-dominated part of the region, which previously had been a source of instability, was a major achievement. However, with the removal of the Cambodian conflict as a fundamental threat to the organization, the cohesion and shape of ASEAN and Southeast Asian regionalism began to be altered.

Fundamentally, Indonesia and Malaysia wish to embrace Indochina to strengthen ASEAN's collective shield against China. Thailand and Singapore regard Indochina in terms of its business and commercial potential and an opportunity to develop trade and economic ties. Therefore, in 1991, Malaysian Premier Mahatir publicly supported the integration of all Indochina countries as well as Myanmar into ASEAN and has called for ASEAN dialogue with Vietnamese, Laotian, and Myanmar representatives.<sup>27</sup> [Ref 18] The admission of Indochinese states and Burma would bring to an end ASEAN's commitment to anti-communism.

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<sup>26</sup> This can also be viewed in light of the disintegration of the Warsaw Pact, and Vietnam's loss of external client political and monetary support.

<sup>27</sup> Dialogue with Cambodian representatives was put on hold due to the UNTAC mission.

In return, Vietnam and Laos, once hostile to ASEAN's regionalism, began to campaign for their own acceptance by the regional organization. At the ASEAN Foreign Ministers Conference in Manila in July 1992, Vietnam and Laos both acceded to the Bali Treaty of Amity and Cooperation and gained observer status, following Papua New Guinea's path in 1989. Nevertheless, Indochina's total absorption into the mainstream of Southeast Asia regionalism, as exemplified by ASEAN, will require time. The Vietnamese and Laotian economies are products of central planning and their economic retardation contrasts markedly with the vigorous growth of the ASEAN open market economies. In addition, full membership into ASEAN will only follow at a later stage and depend upon the ability of these countries to transform their economies and to forge closer political and economic links with the ASEAN members.[Ref 18]

The issue of Myanmar's accession has been raised only as a matter of principle but not practical policy while the State Law and Order Restoration Council (SLORC) remains in power in that country.[Ref 18] On the other hand, Cambodia was included as a special guest at the ASEAN PMC meeting in July 1993. This was due to the relative success of the United Nations' peacekeeping mission and formal elections in May 1993. ASEAN is currently deliberating on whether or not the regional grouping should take up the financial role (of the U.N. mission) in sharing the burden of peacekeeping and peace

building in Cambodia as the United Nations pulls out.[Ref. 22]

ASEAN is also attempting to rise to the challenge presented by the Post-Cold War security environment while maintaining its relevancy to provide members with the enhanced benefits of collective political and security support.[Ref 18] Security concerns stretch beyond the Southeast Asian region and involve the behavior and intentions of regional powers such as China and Japan and, to a lesser extent, India. In particular, the withdrawal of the United States military presence from facilities in the Philippines in 1992 removed an important security prop for ASEAN. Therefore, the organization has been initiating compensating security adjustments.[Ref 18]

One such adjustment was the ASEAN countries proposal to convert the Post-Ministerial Conference (PMC) into a security forum called the ASEAN Regional Forum.<sup>28</sup> This proposal was an alternative to the idea of creating a new forum, which was rejected due to fears that a new entity would overshadow ASEAN and quickly become a convenience for external powers.[Ref 18] Along with this security forum expansion came the inclusion of China, Laos, Papua New Guinea, Russia and Vietnam to meet

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<sup>28</sup> The ASEAN PMC was previously a vehicle for the discussion of trade and economic issues with seven dialogue partners (the United States, Japan, the European Community, Australia, New Zealand, Canada, and since 1991, South Korea) on a bilateral basis.

ASEAN and its dialogue partners at the ASEAN Regional Forum in Bangkok in 1994.[Ref. 23] While ASEAN diplomats expected some resistance from their dialogue partners due to the inclusion of China and Russia, only Japan, so far, has maintained reservations.[Ref. 24] It is to America's interests to follow closely this evolution of ASEAN into one of the major players in EA/P diplomacy.

### **C. HISTORICAL NATIONAL INTERESTS IN THE PHILIPPINES AND SOUTHEAST ASIA**

United States national interests in the Republic of the Philippines, the heart of Southeast Asia, have varied at different periods of time. Initially, the Philippines was used by the United States to gain clout as an emerging global power. Prior to World War II, the Philippines was used as a strategic location for entry into the China market, coaling and military power projection. After World War II, the Philippines was used as a forward basing platform for the containment of the Soviet Union. Southeast Asia was seen as a strategic region of contest for the ambitions of the great powers.

When Admiral Dewey defeated the Spanish Fleet at Manila Bay in 1898, the McKinley administration decided to annex the Philippines so that the United States could gain clout as an emerging global power at par with the French, British, Dutch, and Russians. However, unlike the other colonists, the United

States proclaimed only altruistic motivations for annexing the Philippines. The United States would not exploit the Philippines, only train them for self-government. In short, the Philippines was to be a showcase for American democracy, an example for the other colonial nations to emulate. [Ref. 25]

However, in emphasizing the value of the Philippines strategic location as a coaling station on the way to the Chinese market and as a base for American military power in the Western Pacific, American expansionists continued to win domestic debates against American isolationists on the future status of the Philippines. Therefore, the Philippines was retained as a colony of the United States and the United States became involved, for the first time, with conflicts of interest between Russia, Japan and the Western maritime powers.

In supporting annexation, Homer Lea, an expansionist school strategist of the period, argued that a United States military presence in the Western Pacific, particularly in Southeast Asia, was critical in putting together a forward defense against what he anticipated were growing threats to United States interests in the region.[Ref. 26] Lea conceived Japanese capabilities, both industrial and military, as potential threats to the United States and saw U.S. expansion across the Pacific, from Hawaii to the Philippines, following a trajectory that would inevitably bring it into



contact with Japanese forces. Therefore, unless the United States obstructed those islands, the Japanese would seize the islands for staging and support facilities.[Ref 26] Lea further saw that the Japanese would have to plan a major conflict with the United States if Japan did not intend to remain a secondary power in East Asia and the Western Pacific and that conquest of the Philippine archipelago would give Tokyo control over the major trade routes and critical maritime choke points in the area (namely Luzon strait).[Ref 26] In 1916, on the eve of American entry into World War I, the Philippines was promised independence as soon as a stable government could be established therein.

At the outbreak of World War II, the Filipinos became a fighting ally of the United States. The Hukbalahap worked with and independently of the Americans in the hillsides in guerilla warfare during the Japanese occupation. Pledging to return, MacArthur fought his way back to the Philippines. As promised, the Filipinos were given their independence on July 4, 1946.

The devastation of Europe and much of Asia during World War II allowed the United States to emerge as a superpower after the war. An expansionist policy-driven America entered on a direct collision course with Stalin's expansionist policy-driven Soviet Union. Secretary of State Dean Acheson declared that American vital interests in the Far East were based on the islands off the Asian mainland: Japan, the

Philippines, and Australia. Accordingly, the fundamental strategic task was to make sure that no serious amphibious force could ever be assembled and dispatched from an Asiatic port.[Ref. 27] This assertion was given credibility by General MacArthur's previous declaration of describing the area of the Pacific in which it was necessary for the United States to have a striking force as a U-shaped area embracing the Midway islands, the former Japanese mandated islands, Clark Field in the Philippines, and above all Okinawa. Therefore, to preserve its image as a Pacific power and to promote and protect its interests in Asia against the Soviet Union, the Philippines became a vital world order interest for the United States as its forward outpost in the Pacific. [Ref 25]

Due to the nature of evolving international politics at the end of the Second World War, the United States felt called upon to pick up the pieces as the old European colonial empires in Southeast Asia were dissolved. American involvement in Southeast Asia initially ranged from political support for Indonesians fighting the Dutch for independence to the maintenance of a neo-colonial grasp on the Philippines. Determined to prevent a repetition of history (that prewar isolationism had been a cause of many of the variables that subsequently afflicted mankind), the United States assumed the imperial burdens of maintaining peace and stability in Southeast Asia.[Ref 28]

With the rise of Communist rule in China in 1949, Washington moved uncertainly toward a policy of partial disengagement in the Far East due to the Sino-Soviet alliance. With the outbreak of hostilities in Korea in June 1950, however, Asia became the main theater of Cold War operations.

With the eruption of hostilities in Korea, Vietnam came to be regarded as the second front of a larger struggle to check Communist expansion.[Ref 28] When Chinese troops joined the North Koreans, Washington began funneling military equipment and supplies to the French in Indochina. However, the French debacle in 1954 (first Indochina War) prompted the United States to attempt the construction of a new defense perimeter to block any further advance by the Communists.[Ref 28] This included the negotiation of the Southeast Asia Collective Defense Treaty, the establishment of the Southeast Asia Treaty Organization (SEATO), and efforts to build a militarily viable state in South Vietnam.

However, SEATO was doomed to impotence from the start. [Ref. 28] Membership of SEATO included Britain, New Zealand, Australia, France, Pakistan, the United States, but only two of the Southeast Asian states, namely Thailand and the Philippines. The collective responsibility of participants in the organization was essentially restricted to blocking the open invasion of the region by any communist power that might be prompted to fight in the traditional manner rather than wage irregular warfare.[Ref 28] Thanks partly to its

diplomacy, the United States was able to pump vitality into South Vietnam for another ten years.

During the ensuing civil war in Vietnam, the United States was unable to continue to prop up an autocratic, illegitimate Ngo Dinh Diem. In accordance with the domino theory (simply an expression of the belief that some physical law dictates domination of the small by the mighty)[Ref 28], President Johnson used the Tonkin Gulf Resolution to declare all of Southeast Asia to be a vital defense interest of the United States. As such, the second Indochina war came into being as President Johnson was given the authority for military intervention in Vietnam.<sup>29</sup>

Due to America's Vietnam debacle, the newly elected President Nixon issued America's new foreign policy doctrine from Guam in 1969.<sup>30</sup> Its most pressing purpose was to announce that the United States would never again become heavily involved with manpower in attempting to solve Asia's problems.[Ref. 29] Specifically, the Nixon Doctrine embraced three basic precepts:

- The United States will keep all its treaty commitments.
- We shall provide a shield if a nuclear power threatens the freedom of a nation allied with us or of a nation whose

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<sup>29</sup> The first Civil War in Vietnam was that between France and the Vietminh which raged from 1946 to 1954.

<sup>30</sup> Williams describes the Nixon Doctrine as the restoration of Truman's previous partial disengagement policy in Asia.

survival we consider vital to our security and the security of the region as a whole.

- In cases involving other types of aggression, we shall furnish military and economic assistance when requested as appropriate. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense. [Ref 29]

Claude Buss provides a concise analysis of the Nixon Doctrine, as follows:

By way of elaboration of the Nixon Doctrine, various spokesmen for the administration explained that the United States would remain strong in the Pacific as an encouragement to its friends and a deterrent to war, but would no longer immerse itself in the internal affairs of others. The United States would support nationalism, economic development and modernization in accordance with its interests and commitments. It would not turn its back on any nation of the region but would avoid the creation of situations in which there might be such dependency on the United States as to enmesh the United States inevitably in what were essentially Asian conflicts and problems. The United States wished to extend assistance to the greatest extent possible but in an orderly and judicious manner; it wished to participate as one Pacific nation among several in economic development and the maintenance of stability in Asia. [Ref. 30]

With the onset of Watergate, however, President Ford was left to deal with the implementation of Nixon's Doctrine. After the United States withdrawal from Vietnam in 1975, further clarification of the Nixon Doctrine was given.

America would help only those who would help themselves, for there would have to be 'shared burdens and shared responsibilities.'... 'America will no longer try to play policeman to the world. Instead, we will expect other nations to provide more cops on the beat in their own neighborhood.' [Ref 29]

Wavering between whether the United States should pull out completely from Southeast Asia and the Philippine bases and lose creditability or maintain some form of the status quo,

President Ford and Carter chose to maintain the status quo. They could do no less in the Cold War environment.

During the Reagan and Bush administrations, as the Cold War heated up between the United States and the "evil empire," the Philippines assumed a new importance as a vital operating base in Southeast Asia. This was due to the strategic location of the Philippines, the long political association of the United States and the Philippines, and the availability of two key United States naval and air force bases.

However, with the cooling down of U.S.-U.S.S.R. arguments, the withdrawal of United States military forces from the Philippines, and the current state of the art of war and weaponry, the credibility of the Philippines as a vital world order interest for the United States is no longer an issue. In addition, with the opening of China and the collapse of the Soviet Union, the strategic significance of Southeast Asia to the United States has declined immeasurably. [Ref 21] However, unlike Russia, the United States continues to have considerable economic and political interests in the Southeast Asian sub-region.

#### **D. SPECIFIC NATIONAL INTERESTS IN SOUTHEAST ASIA**

In leaving the Cold War paradigm behind, American long-term national interests in Southeast Asia should be reassessed and prioritized. Again, the protection of American lives and property, economic prosperity, and the promotion and fostering

of international goodwill, will be examined as primary interests in the Southeast Asian sub-region.

### 1. Protection of American Lives and Property

Over 1,300 American Department of Defense military and civilian personnel (and their dependents) currently work and live abroad in Southeast Asia to promote and protect United States national interests (see Table 3). These people are supporting American national interests of security by conducting military to military relations abroad.

TABLE 3  
DEPARTMENT OF DEFENSE PERSONNEL IN SOUTHEAST ASIA  
(AS OF MARCH 31, 1993)

COUNTRY	TOTAL	MILITARY	CIVILIAN	DEPENDENT
BURMA	21	10	0	11
CAMBODIA	8	7	1	0
INDONESIA	176	50	91	35
LAOS	5	5	0	0
MALAYSIA	73	25	7	41
PHILIPPINES	369	114	93	162
SINGAPORE	359	156	28	175
THAILAND	372	115	168	89
VIETNAM	4	3	1	0
TOTAL	1387	485	389	513

Source: Department of Defense, Worldwide Manpower Distribution by Geographic Area.

In addition, the 1970 census conducted by the United States Census Bureau estimated that 22,604 American personnel reside within the Southeast Asian sub-region that are not

employed by the United States government. These people are supporting the other American national interests of economic prosperity and international goodwill by conducting trade and cultural relations abroad.

## **2. Economic Prosperity**

### **a. Two-way Trade**

Singapore, Malaysia, Thailand, the Philippines, and Indonesia were among the top 30 partners in total United States trade in 1991.[Ref. 31] Of the United States two-way trade with the EA/P region in 1992, 17 percent was with countries within the Southeast Asian sub-region. This percentage is up from 15 percent in 1966, but down from a high of 20 percent in 1980. Table 4 depicts the numerical value of two-way trade with the Southeast Asian sub-region. Table 5 depicts the composition of two-way trade between the United States and the Southeast Asian sub-region (since United States trade with Burma, Cambodia, Laos, Vietnam, and Brunei is less than 1 percent of EA/P trade, the composition of that trade is not discussed in standard sources).



TABLE 4  
UNITED STATES TWO-WAY TRADE WITH SOUTHEAST ASIA  
(IN MILLIONS OF DOLLARS)

COUNTRY	1966 TOTAL	RANK	1992 TOTAL	RANK	% OF EA/P TRADE
BURMA	27	7	47	7	< 1
CAMBODIA	3	9	16	8	< 1
LAOS	10	8	7	9	< 1
VIETNAM	314	2	5	10	< 1
BRUNEI	0	10	483	6	< 1
INDONESIA	239	3	7482	4	2
MALAYSIA	223	4	12936	2	3.5
PHILIPPINES	746	1	7376	5	2
SINGAPORE	66	6	21180	1	5.8
THAILAND	204	5	11909	3	3.3
TOTAL	1832		61440		

Source: International Monetary Fund, Annual Direction of Trade Statistics.

TABLE 5  
COMPOSITION OF TWO-WAY TRADE

COUNTRY	MAJOR EXPORTS TO	MAJOR IMPORTS FROM
Singapore	computer valves, aircraft, ADP machines, music, ADP parts, civil eng plant/equipment, oil (not crude), engs and motors, telecommunications equipment, elec circuits, machinery	ADP machines, computer valves, ADP parts, telecommunications equipment, radiobroadcast receivers, organic-inorganic mixtures, apparel, electrical machinery
Indonesia	Cotton, civil engineering equipment, aircraft, pulp and waste paper, telecommunications equipment, plastics	footwear, natural rubber, crude oil, plywood, men/women coats, oil (not crude), apparel, crustacean, toys
Malaysia	computer valves, aircraft, ADP machine parts, paper, telecommunications equipment, pumps, engs and motors	computer valves, radiobroadcast receivers, telecommunications equipment, toys, recorders, ADP machines, apparel
Philippines	computer valves, wheat, paper, telecommunications equipment, cotton, machinery, animal feed, ADP machines	computer valves, apparel, telecommunications equipment, toys, veg fats and oil crude, toys
Thailand	aircraft, computer valves, ADP parts, cotton, pearls, telecommunications equipment, machinery, music	ADP machines, fish and crustaceans, computer valves, toys, footwear, recorders, jewelry, telecommunications equipment, apparel

Source: U. S. Department of Commerce, U.S. Foreign Trade Highlights 1991.

### **b. Exports**

Of United States exports to the EA/P region, 18 percent are received by countries in the Southeast Asian sub-region. This percentage is up from 15 percent in 1966 but, down from the high of 20 percent in 1982. United States exports to countries in the Southeast Asian sub-region are listed in Table 6.

TABLE 6  
UNITED STATES EXPORTS TO SOUTHEAST ASIAN COUNTRIES  
(IN MILLIONS OF DOLLARS)

COUNTRY	1966 TOTAL	RANK	1992 TOTAL	RANK	% OF EA/P EXPORT
BURMA	24	7	4	8	< 1
CAMBODIA	2	9	0	10	< 1
LAOS	9	8	1	9	< 1
VIETNAM	311	2	5	7	< 1
BRUNEI	0	10	453	6	< 1
INDONESIA	60	4	2778	4	2.1
MALAYSIA	46	6	4396	2	3.3
PHILIPPINES	348	1	2753	5	2.1
SINGAPORE	51	5	9620	1	7.3
THAILAND	128	3	3982	3	3.0
TOTAL	978		23992		

Source: International Monetary Fund, Annual Direction of Trade Statistics.

### **c. Imports**

Of United States imports from the EA/P region, 16 percent are received from the countries in the Southeast Asian

sub-region. While remaining relatively static since 1966, this percentage is down from the high of 21 percent in 1980. United States imports from countries in the Southeast Asian sub-region are listed in Table 7.

TABLE 7  
UNITED STATES IMPORTS FROM SOUTHEAST ASIAN COUNTRIES  
(IN MILLIONS OF DOLLARS)

COUNTRY	1966 TOTAL	RANK	1992 TOTAL	RANK	% OF EA/P IMPORTS
BURMA	3	6	42	6	< 1
CAMBODIA	1	8	0	9	< 1
LAOS	1	9	6	8	< 1
VIETNAM	2	7	0	10	< 1
BRUNEI	0	10	30	7	< 1
INDONESIA	179	2	4704	4	2%
MALAYSIA	177	3	8540	2	3.7%
PHILIPPINES	398	1	4623	5	2%
SINGAPORE	15	5	11,560	1	5%
THAILAND	76	4	7927	3	3.4%
TOTAL	852		37,432		

Source: International Monetary Fund, Annual Direction of Trade Statistics.

#### ***d. Investments***

The percentage of United States direct investment abroad in the EA/P region that lies in the Southeast Asian sub-region was 19 percent in 1992. The United States currently has over \$16.7 billion invested within ASEAN alone. In addition, the average annual rate of return on Southeast

Asian investment from 1987-1991 was 26.5 percent, led by Indonesia and followed by Malaysia, Singapore, Thailand, and the Philippines. Specific United States direct investment positions abroad in the Southeast Asian sub-region are listed in Table 8.

TABLE 8  
UNITED STATES DIRECT INVESTMENT POSITION IN SOUTHEAST ASIA  
(IN MILLIONS OF DOLLARS)

COUNTRY	1992 INVEST- MENT POSITION	RANK	% OF EA/P INVESTMENT
BURMA	42	7	< 1
CAMBODIA	*	8	< 1
LAOS	*	9	< 1
VIETNAM	*	10	< 1
BRUNEI	42	6	< 1
INDONESIA	4278	2	5.5
MALAYSIA	1714	4	2.2
PHILIPPINES	1565	5	2.0
SINGAPORE	6631	1	8.5
THAILAND	2459	3	3.1
TOTAL	16731		

\* Less than \$500 thousand invested.

Source: United States Department of Commerce, Survey of Current Business.

#### **e. Jobs**

According to the U.S. Commerce Department, every \$1 billion of exports supports about 20,000 jobs. United States exports to the Southeast Asian sub-region employ over 479,840 Americans (18.2% of EA/P total), up from 172,060 just six

years ago. In the past six years, the rate of increase in jobs from exports to ASEAN was 278 percent. Table 9 shows the number of American jobs provided by each Southeast Asian country.

TABLE 9  
AMERICAN JOBS FROM EXPORTS TO SOUTHEAST ASIAN COUNTRIES  
(FOR 1992)

COUNTRY	TOTAL JOBS	RANK	% OF EA/P JOBS
BURMA	*	7	< 1
CAMBODIA	*	8	< 1
VIETNAM	*	9	< 1
LAOS	*	10	< 1
BRUNEI	*	6	< 1
INDONESIA	55,560	4	2.1
MALAYSIA	87,920	2	3.3
PHILIPPINES	55,060	5	2.1
SINGAPORE	192,400	1	7.3
THAILAND	79,640	3	3.1
TOTAL	2,540,000		18.2

\* Less than 20,000

### 3. International Goodwill

In leaving the Cold War paradigm behind, goodwill must be expanded to include more than friends and allies within ASEAN. Laos, Vietnam, Cambodia, and Burma (or Myanmar) are also part of that region, and until they are completely incorporated into this prosperous region, ASEAN will not be able to function as a complete whole.

With specific reference to the Philippines beyond Subic Bay, the United States has built a long political relationship which should continue to be nurtured. As stated by Senator Richard Lugar in 1985,

... it would be a grave mistake to conceive of the United States-Philippines relationship strictly in terms of maintaining United States access to these bases. What really counts for the United States is the relationship with the Filipino people and the Philippine nation. The ultimate viability of the United States-Philippine relationship lies in the profound and genuine understanding between our two peoples and our two nations and in the common values we share. ... U.S. policy should be to perpetuate that broader, fundamental relationship... [Ref. 32]

Clearly, the United States has fundamental, long-term national interests in the EA/P region and Southeast Asia. Therefore, it is my hypothesis that beyond Subic Bay, the United States will not abandon those interests. However, before looking to future means and policies that the United States may pursue in protecting and promoting national interests, past policies to protect and promote national interests must be examined.

## **V. PAST POLICIES TO SUPPORT NATIONAL INTERESTS IN SOUTHEAST ASIA**

In the atmosphere of the Cold War, the United States' first responsibility was to determine who were its allies and friends. Having done that, the United States tried to formulate the best policies possible (global, regional and bilateral) to protect and promote its own best interests and the best interests of those who committed themselves to common purposes. Conversely, the United States and its allies exerted their best efforts to contain their common enemies. As judged by results, the record of the Cold War years has been fairly successful.

### **A. FORCES**

The United States fundamental reliance to promote and protect its interests has been placed in its forces abroad. The presence of United States troops, ready to fight and committed to the defense of foreign soil as part of the United States comprehensive system of alliances for mutual defense, was one of the most important contributions to the United States political posture during the Cold War. [Ref. 33] Even if these forces were only tokens of United States military power, they illustrated the determination of the United States to maintain a military



posture in support of friends and allies. These forces, some have said, were to "serve as a trigger to release the full war potential of the United States"[Ref 33] if and when needed.

The positioning of United States military forces overseas was consistent with the strategic thought of using a thin line of forward deployed combat-ready forces, scattered along the entire periphery of the Free World to contain the Soviet Union.[Ref 33] In short, the leaders of the United States recognized that the United States could not go it alone in containing the Soviet Union, either in an isolationist sense or by assuming the entire military burden for the defense of the Free World.[Ref 33]<sup>31</sup>

In support of the perimeter defense strategy, the United States deployed forces forward in the Pacific theater to South Korea, Japan, the Philippines, Thailand and Vietnam, along with afloat units. Appendix I shows the levels of forces committed to foreign areas from FY1964 to FY1992. While the Pacific force manning level has declined from 231,000 troops in FY1964 to 110,000 in FY1992, the percentage of United States troops committed to the Pacific theater have only declined from 31% in FY1964 to 28% in FY1992. In contrast, while United States troops committed to the Atlantic theater have declined from 436,000 in FY1964 to 243,000 in FY1992, the

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<sup>31</sup> This posture assumed that other nations of the free world accepted and were willing to fulfill their role as part of the mutual security system.

percentage of United States troops committed to this theater have risen from 58% in FY1964 to 62% in FY1992.

In contrast to the perimeter defense strategy, the strong, alert, highly-mobile centralized reserve strategic school of thought[Ref 33] has been gaining momentum in recent years. This can be seen in the retrenchment of United States forces committed to foreign deployment sites due to limitations on military resources - personnel, equipment, and money. In support of this strategy, most of the military's equipment and supplies must be prepositioned to support the advantage of strategic airlift. The 1993 Bottom-Up review includes force enhancements in support of this objective.[Ref. 34]

## **B. BASES**

The United States began, in 1898, to develop a pattern of overseas bases. In the Pacific, its base system began with the annexation of the Hawaiian Islands, Guam, and the Philippines. At the turn of the century, Germany, Japan, and the British laid claim to the islands inbetween these footholds, and the United States watched with indignation.

After World War I, the United States allowed for the division of the German Islands in the Pacific between the Japanese and British. It has been said that the United States doomed itself to the island hopping campaigns of World War II by allowing for this action. Even if the United States had acquired these islands, though, the failure to fortify them,

as was seen in the destruction of Guam and the Philippines, would have left them to the same fate. [Ref. 35]

With the onset of World War II, the United States realized that a chain of Pacific island defenses would need to be developed, first, to protect Hawaii and supply Australia, second, to push the Japanese back to their starting point. [Ref 35] With the end of the Second World War came the United Nations declaration that the Pacific Islands would be put in a trusteeship under the administration of the United States.

With the intensity surrounding the bipolar standoff between the United States and the Soviet Union rising, joint military planning along with general development programs ensued. [Ref. 36] As Captain Dissette says,

Here lay the foundation for the establishment of United States overseas bases in a ring designed to contain the Soviet Union and its satellites. Two wars in the 20th century and the rapid development of explosive situations in the post-World War II era had convinced the United States that its first line of defense no longer lay in the Western Hemisphere. To insure its security, the support of strong allies with sufficient courage to permit the United States to establish advance bases on their soil was essential. [Ref 36]

After the Korean War broke out, the United States redoubled its efforts to pursue collective security on a world-wide bases. The United States needed more bases in the Pacific to protect the seaward fringes of Asia, namely Japan and the Philippines. The pattern of communist expansion in the Far East was met with the establishment and enhanced development of United States overseas bases in the

Philippines, South Korea, Japan, Vietnam, Taiwan, and Thailand. These bases became the foundation for the Eisenhower-Dulles strategy of massive retaliation.<sup>32</sup>

By the end of 1954, the United States had completed enough alliances to establish a credible overseas base complex for the containment of the Soviet Union to mainland Asia. However, with the fall of Dien Bien Phu, the United States shifted gears and decided that the entire communist world must be contained, including mainland China.[Ref 36]

Due to rising nationalism, doubts as to the United States ability to deter or repel an attack against them, threats by Khrushchev that United States military presence on another's soil would cause them to be considered an enemy of the Soviet Union, and the unease surrounding the presence of nuclear weapons, some allies began to question the wisdom of allowing a United States military presence on their soil.[Ref 36] Therefore, in some cases, the United States was not authorized to use facilities for combat operations outside the host nation without first getting their permission.<sup>33</sup>

At the same time, growing domestic concern about the rapidly rising cost of security, led President Eisenhower to

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<sup>32</sup> Massive retaliation required a diversified military base for the launching of nuclear weapons.

<sup>33</sup> Remarkably, the United States was not authorized to use its facilities in the Philippines for bombing raids during the Vietnam War. Long-range bombing was conducted from facilities in Guam.

express his concern to Congress in his State of the Union address in January 1959

'The material foundation of our national safety is a strong and expanding economy. The basic question facing us today is more than survival. It is the preservation of a way of life.' [Ref 36]

Captain Dissette also points out that

By the President's own figures, the United States needed to spend \$47 billion, or more than 60% of the federal budget, in fiscal 1960 for national defense. [Ref 36]

However, the domestic populace's fear of global communism, instilled continuously in them for the past twelve years by political leadership, continued to justify the existence and development of overseas bases.

If the existence of any one base serves as a deterrent to war, the expenditures are most certainly justified. [Ref 36]

With the advancement of military technology - increased capabilities for the aircraft carrier and missile launching submarines (mobile launching platforms instead of fixed bases) along with long range missiles and aircraft - and wariness of the strategy of massive retaliation, overseas bases became essentially obsolete as weapons launching sites. However, overseas bases took on a new role; providing logistical support for forward deployed conventional forces.

After the Vietnam War, once again overseas bases in the Pacific began to create political - domestic and international - problems for the United States government. The United States vacated its bases in Thailand and Vietnam. The United

States turned the administration of Okinawa back over to Japan. After restoring relations with mainland China, the United States vacated facilities in Taiwan (along with the mutual defense treaty) in order to appease its former enemy. After 94 years of maintaining military facilities in the Philippines, the most important United States logistical and training facilities in the Pacific, the United States withdrew its forces from their soil in 1992. As such, Japan and South Korea host the only United States overseas bases left in the Pacific.

Today, United States governmental policy is to make further use of overseas bases. The Secretary of Defense validates this policy as follows:

The United States needs overseas bases to sustain its forward presence and to provide facilities for regional contingency operations during periods of crises. Our successes in the Persian Gulf were due in no small measure to our access to overseas bases. Foreign bases enhance deterrence, contribute to regional stability, and facilitate rapid response by U.S. forces. [Ref 38]

### **C. ALLIANCES**

Security relationships have been a major tool of American foreign policy since the Second World War. In the forty-plus years since that conflict ended, the United States has been through three major periods of security relationships formation, and today it remains committed to literally dozens of nations around the globe. [Ref. 37]

## **1. Collective Defense Treaty System**

The first set of treaties was negotiated in 1951. When John Foster Dulles sought opinion in the Pacific region on an early and lenient Japanese Peace Treaty (due to the rise in intensity of the Cold War standoff), he found that the Philippines, Australia, and New Zealand demanded United States commitments as protection against a rearmed Japan. [Ref 37] Those nations refused to enter into a multilateral pact with their recent enemy and these three treaties, signed separately in 1951, remain in effect today.

The second set of treaties was negotiated under the Eisenhower-Dulles administration. Far more Cold War oriented than the previous set of treaties, Dulles' alliance system could be seen as perfecting the containment of the Soviet Union and its Chinese ally around its perimeter.[Ref 37] The alliance with South Korea had been signed to reinsure the armistice which ended the Korean War, by making it evident that the United States would come to the aid of South Korea in case of a second attack. The Southeast Asia Collective Defense Treaty, on the other hand, was an American scheme to hold the line against further communist gains in Indochina after the First Indochina War.[Ref 37] Lastly, the mutual defense treaty with the Republic of China, was signed to give communist China second thoughts about invading the nationalist China island of Taiwan.

These collective security arrangements continue to be defined as an essential component of the United States national security strategy. As stated in the Secretary of Defense' 1992 Annual Report to Congress,

Our security alliances provide a clear demonstration of our commitments, help to deter potential aggressors, enhance regional stability by lowering the potential for conflict, reduce expenditures, and reassure allies that they do not have to rely solely on their own resources in order to protect themselves from external threats.  
[Ref. 38]

Therefore, these treaties warrant careful examination.

**a. Mutual Defense Treaty Between the United States  
and the Republic of the Philippines**

The Mutual Defense Treaty between the United States and the Republic of the Philippines was signed in Washington on August 30, 1951. This treaty was a precondition for eliciting the Philippines to sign a Peace Treaty with Japan.  
While

Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific Area,

and

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific Area,

the operative clause of the treaty in the event of armed attack is



Each party recognizes that an armed attack in the Pacific Area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes.

and

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken measures necessary to restore and maintain international peace and security. [Ref. 39]

**b. The Security Treaty Between Australia, New Zealand, and the United States (ANZUS)**

The ANZUS Treaty (U.S. security obligations were suspended to New Zealand August 11, 1986 as a result of its decision to ban U.S. nuclear-powered and nuclear-capable ships from its ports) was signed at San Francisco on September 1, 1951. As with the Mutual Defense Treaty with the Republic of the Philippines, the ANZUS Treaty was also a precondition for eliciting Australia and New Zealand to sign a Peace treaty with Japan. While

Noting that the United States already has arrangements pursuant to which its armed forces are stationed in the Philippines, and has armed forces and administrative responsibilities in the Ryukyus, and upon the coming into force of the Japanese Peace Treaty may also station armed forces in and about Japan to assist in the preservation of peace and security in the Japan Area,

and

Desiring to declare publicly and formally their sense of unity, so that no potential aggressor could be under the illusion that any of them stand along in the Pacific Area,

and

Desiring further to coordinate their efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific Area,

the operative clause of the treaty in the event of armed attack is

Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

and

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken measures necessary to restore and maintain international peace and security. [Ref. 40]

***c. Treaty of Mutual Cooperation and Security Between  
the United States and Japan***

The Treaty of Mutual Cooperation and Security between the United States and Japan, currently in force, was signed at Washington January 19, 1960.<sup>34</sup> While

Desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty, and the rule of law,

and

Desiring further to encourage closer economic cooperation between them and to promote conditions of economic stability and well-being in their countries,

---

<sup>34</sup> This treaty superseded the previous Security Treaty between the United States and Japan signed at San Francisco on September 8, 1951.

and

Considering that they have a common concern in the maintenance of international peace and security in the Far East,

the operative clause of the treaty in the event of armed attack is

Each party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with constitutional provisions and processes.

In addition

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security,

and

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan,

and

This treaty shall remain in force until in the opinion of the Governments of the United States of America and Japan there shall have come into force such United Nations arrangements as will satisfactorily provide for the maintenance of international peace and security in the Japan area... [Ref. 41]

**d. The Mutual Defense Treaty Between the United States and the Republic of Korea**

The Mutual Defense Treaty between the United States and Republic of Korea was signed at Washington on October 1,

1953. This treaty was signed by the United States in exchange for the Republic of Korea's cooperation in arranging an armistice to end the Korean war. While

Reaffirming their desire to live in peace with all peoples and all governments, and desiring to strengthen the fabric of peace in the Pacific area,

and

Desiring to declare publicly and formally their common determination to defend themselves against external armed attack so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific area,

and

Desiring further to strengthen their efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive and effective system of regional security in the Pacific area,

the operative clause of the treaty in the event of armed attack is

Each party recognizes that an armed attack in the Pacific area on either of the Parties in territories not under their respective administrative control, or hereafter recognized by one of the parties as lawfully brought under the administrative control of the other, would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

In addition

The Republic of Korea grants, and the United States of America accepts, the rights to dispose United States land, air and sea forces in and about the territory of the Republic of Korea as determined by mutual agreement.  
[Ref. 42]

**e. The Southeast Asia Collective Defense Treaty**

The Southeast Asia Collective Defense Treaty was signed in Manila on September 8, 1954, by the United States, Australia, France, New Zealand, Pakistan, the Republic of the Philippines, the Kingdom of Thailand, and the United Kingdom of Great Britain and Northern Ireland. Today, this treaty remains in effect on a bilateral basis between the United States and Thailand. While

Intending to declare publicly and formally their sense of unity, so that any potential aggressor will appreciate that the Parties stand together in the area,

and

Desiring further to coordinate their efforts for collective defense for the preservation of peace and security,

the operative clause in the treaty in the event of armed attack is

Each party recognizes that aggression by means of armed attack in the treaty area against any of the parties or against any state or territory which the parties by unanimous agreement may hereafter designate, would endanger its own peace and safety, and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes. Measures taken under this paragraph shall be immediately reported to the Security Council of the United Nations.

However, in executing the treaty, the United States did so

understanding that its recognition of the effect of aggression and armed attack and its agreement with reference thereto in Article IV, paragraph I, apply only to communist aggression. [Ref. 43]

**f. The Mutual Defense Treaty Between the United States and the Republic of China**

The Mutual Defense Treaty between the United States and the Republic of China (Taiwan) was signed in Washington on December 2, 1954. This treaty was signed to contain Sino-communism to communist China, and assist Nationalist China in maintaining its sovereignty. With the normalization of Sino-American relations on December 15, 1978, this treaty was terminated in 1979. While

Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the West Pacific area,

and

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the West Pacific Area,

the operative clause of the treaty in the event of armed attack is

Each party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes

and

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

In addition

The government of the Republic of China grants, and the government of the United States of America accepts, the right to dispose such United States land, air, and sea forces in and about Taiwan and the Pescadores as may be required for their defense, as determined by mutual agreement. [Ref. 44]

## **2. Friends and Alliances**

The preceding section reveals who are the United States allies. But the United States needed more than allies, so it considered it a national interest to look out for its friends as well as its allies. Under this heading the author presumes we mean the former non-aligned and all except the sworn communists. Since the end of the Cold War, this heading "friends and allies" is meaningless as a factor in the formulation of policy. Everybody is a potential friend; we want to make the world better and safer for everyone; not just our allies and friends.

While always concerned that the United States might overextend itself, the founder of containment, George Kennan, said that America needed allies to share the burdens of free world leadership, and that the United States needed a strong defense posture to sustain allied cooperation. In the end, though, Kennan was against alliances as primary tools of American national security policy.<sup>35</sup>

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<sup>35</sup> Diebel states that Kennan preferred a 'particularist' rather than a 'universalist' approach to foreign policy; he was extremely doubtful of 'the ability of men to define hypothetically in any useful way, by means of general and legal phraseology, future situations which no one could really imagine or envisage.'

'I had little confidence in the value of written treaties of alliance generally. I had seen too many instances in which they had been forgotten, or disregarded, or found to be irrelevant, or distorted for ulterior purposes when the chips were down.' [Ref 37]

Nevertheless, Kennan's school of containment based on political and economic containment was superseded by the military school of containment. The military school of containment saw the Soviet Union as a uniquely expansionist state, driven by ideology to conquer the world for communism, a nation which understands only force and with which no settlement will ever be possible; hence, virtually all areas of the world were deemed vital to the overall balance of power. Allies seemed essential to contain Soviet power and its communist allies.

Therefore, under the Truman-Acheson administration, alliances were entered into to provide the framework for defense relationships among the world's leading "free" countries. These alliances were to contain the aggression of any communist military force.

Under the Eisenhower-Dulles administration, alliances were expanded to include those nations who were not necessarily vital to maintaining a global balance of power. They were the products of specific situations: Japan, South Korea, the Republic of China, and the states signatory to the Southeast Asia Collective Defense Treaty. Diebel sees these alliances as



tactical responses to the failure of that (massive retaliation) strategy - last-minute, crisis-driven efforts to make credible a deterrent threat that otherwise could hardly be believed.

Collectively, however, Dulles' alliances draped American protection around Third World states who could hardly be of material help (except in manpower) should a war actually start.[Ref 37]

A further system of postwar security commitments was negotiated under the Reagan administration. Geographically, these commitments centered on the Third World, but in a much more diffuse and far-ranging pattern. Lacking treaties, the new commitments were based far more on arms transfers and military training, economic aid, ad hoc diplomatic contact, and facilities construction or use.[Ref 37] Since these new security partners cannot be called allies in the traditional sense; they have been dubbed "friends," and American freedom of action with regard to them remains at a relatively high level. These nations included Burma, Indonesia, and Malaysia in the Southeast Asian sub-region.

Today, United States governmental policy is to make further use of this framework of friends and allies. The Secretary of Defense validates this policy as follows:

Cooperation makes it possible to reduce duplication with and among allies and thus conserves scarce defense resources. The United States armed forces have unique capabilities, which can enhance the security of our allies. It is equally true that some of our allies maintain assets that can make a significant contribution to a coalition effort. Alliance arrangements have made possible host-nation support and other arrangements to

share the mutual defense burden, which reduce the cost of forward presence on the U.S. taxpayer and make it possible to reach agreements on sharing responsibilities and roles with allies and friends. [Ref 38]

But as suggested above, this policy needs re-examination in the light of the end of the Cold War.

### **3. Containment of Common Enemies**

Although containment's founder never set forth in one place the full scope of his strategic vision, scholars who have studied Kennan's writings maintain that his view of the concept is internally cohesive and broadly consistent over time.

The first stage of Kennan's containment strategy argued for an active U.S. policy to maintain the world balance of power in the special circumstances following World War II. This meant preventing the Soviets from acquiring control of the remaining centers of world industrial capacity other than the Soviet Union and the United States, all which had been weakened by the war: specifically, the industrial heart of Europe, Japan, and the United Kingdom.[Ref 37] Second, containment was intended to limit Soviet influence outside the regions Moscow already controlled, which in Kennan's time pointed to a policy aimed at dividing and weakening the world communist movement.[Ref 37] Finally, Kennan hoped that over time the Soviet view of international politics could be modified to permit a negotiated settlement with the West and a modus vivendi between the superpowers, vastly reducing Cold

War tensions and establishing a global balance which could ensue without constant and intensive American involvement. [Ref 37]

In applying the theory of containment, though, Kennan worried that if the United States started creating a structure of anti-Soviet alliances, there would be

'no logical stopping point until that system has circled the globe and embraced all the non-communist countries of Europe, Asia, and Africa.' [Ref 37]

In addition, Kennan opposed anti-Soviet alliances because he deplored their emphasis on a single means of containment - the use of alliances would militarize United States relationships with much of the world, diverting allies energies from the tasks of political and economic reconstruction so necessary for resistance to the real threats of ideological subversion and political infiltration. [Ref 37]

Expanding on Kennan's theory of containment, the National Security Council began working in early 1950 on a highly secret document that came to be known as NSC-68. NSC-68 was the American blueprint for waging the Cold War for the next twenty years. [Ref. 45]

NSC-68 began with two assumptions.

First, the global balance of power had been 'fundamentally altered' since the nine-teenth century so that the Americans and Russians now dominated the world: 'What is new, what makes the continuing crisis, is the polarization of power which inescapably confronts the slave society with the free.' It was us against them. Second, 'the Soviet Union, unlike previous aspirants to hegemony, is animated by a new fanatic faith, antithetical to our own, and seeks to impose its absolute authority,' initially in

'the Soviet Union and second in the areas now under its control.' ... 'In the minds of the Soviet leaders, however, achievement of this design requires the dynamic extension of their authority and the ultimate elimination of any effective opposition to their authority. ... To that end Soviet efforts are now directed toward the domination of the Eurasian land mass.' [Ref 45]

Therefore, NSC-68 moved to the inevitable conclusion that the United States

'must lead in building a successfully functioning political and economic system in the free world,' for 'the absence of order among nations is becoming less and less tolerable.'

The key to impose order around the globe and to deter an attack on the United States was to become military power, beyond mere deterrence. Limited wars were also to be fought 'to compel the acceptance of terms consistent with our objectives.' [Ref 45]

A lessening of international tensions became possible in 1967-1968 when the United States suffered from setbacks in Vietnam and the Soviet Union had "approached strategic parity" with the United States. [Ref 45] President Johnson, initially pursuing detente in the hopes that he could persuade the Soviets to pressure Ho Chi Minh to make peace, realized that global international relations were first on the Soviets' table. Initial stages of this detente meant a lessening of military and political tensions between the two great powers, but ideological coexistence could not yet be allowed. [Ref 45]

Detente came further into bloom during the Nixon administration as an era of negotiation began. Nixon and

Kissinger visited Moscow and Beijing, removed the United States militarily from Vietnam, and reduced United States military commitments abroad (Nixon Doctrine). Brezhnev and Nixon designed a detente policy and trade relations were reinvigorated with Beijing to help the ailing American economy. In the subsequent Carter administration, the restoration of formal diplomatic relations between Beijing and Washington was announced in 1978. In return, the United States gave up its treaty of mutual defense with Taiwan. As such, NSC-68 as a guide for foreign policy in the EA/P region became essentially obsolete.

With the onset of the Reagan administration (and the evil empire), the Cold War returned to its previous intensity. Only this time, the Cold War was carried completely into the developing (and non-aligned) world. Security assistance was now provided to any country, of importance to the United States, which remained anti-communist and supported the United States efforts in dealing with the Soviet Union.

#### **D. SECURITY ASSISTANCE**

In the past, security assistance has been used to bind cooperative nations closer to the United States. The Nixon Doctrine indicated the limits of its efforts.

##### **1. Military Assistance**

Depending upon the nature of shared interests, the United States supplemented friends and alliances with loans

(FMF program) for industrial-base and weapon development cooperation, payments for overseas basing and access agreements, demonstrations of military capability to deter regional threats, training to enhance defense capabilities, and where necessary joint or combined deployment of military forces.[Ref 38] Such assistance facilitated communications and interoperability with allied military forces, was essential for forward presence, supported crisis response capabilities, and defended mutual national interests.[Ref 38]

In regards to the Philippines, military assistance provided in the form of foreign military sales and grant military assistance, has given the Armed Forces of the Philippines (AFP) more than enough weapons to defend themselves and kill the communist-inspired New Peoples Army (NPA).[Ref. 46] However, these arms have consistently made their way into the hands of the NPA through less than professional AFP members. Hence, military assistance to the Philippines has essentially provided the weaponry for the prolongation of the armed insurgency and has directly impacted the lives of many of the innocent common people. [Ref. 47]

The IMET program, on the other hand, is a low-cost grant aid program that provides military education and training to over 5,000 foreign military and civilian defense personnel from over 100 countries each year.[Ref 38] IMET exposes future leaders of many foreign defense establishments to American thought, in regards to national security affairs

and the corresponding relationship between the military establishment and civilian government.

With the end of the Cold War, IMET has been expanded to provide education for military and civilian officials from some former Warsaw Pact countries. The IMET program is one of the least costly and most effective programs for maintaining United States influence and assisting foreign countries with their development of self-defense capabilities.[Ref 38]

## **2. Economic Support Assistance**

United States bilateral and multilateral economic assistance to developing countries traditionally has focused on both short-term national security goals and longer-term economic social development goals.[Ref. 48] The development goals have rested largely on moral and humanitarian precepts, such as meeting the basic human needs of poor people, as well as on United States national interest needs, such as protecting and expanding markets for United States exports and securing access to strategic materials.[Ref 48]

Economic assistance provided for the Philippines under the auspices of security assistance, however, has not found its way to those people in the countryside or in the city slums who desperately need it.[Ref 47] Hence, the reason for the people to participate in insurgency or armed guerilla attacks remained intact, and the United States was consistently linked with the corrupt elitist government of Manila.[Ref 47]

## **E. CULTURAL EXCHANGES**

It has long been an assumption of classical liberalism that the more extensive the contacts that take place between nations, the greater are the changes for peace ... Cultural exchange, it has been suggested, causes peoples to become more sensitive to each others' concerns, and hence reduces the likelihood of misunderstandings. 'People to people' contacts, it has been assumed, make it possible for nations to 'know' one another better; the danger of war between them is, as a result, correspondingly reduced. [Ref. 49]

While some clearly have a wariness for classical liberal theory, cultural exchanges have been expanding between the United States and other nations. Cultural exchanges have been used to support the United States own purposes by bearing witness to its own great capabilities, ultimate good intentions, and sincerity in winning the hearts and minds of people. These exchanges have been in the form of Fulbright scholars, exchange students, non-governmental organizations (such as the Pacific Economic Cooperation Council, Asia Foundation, Asia Society, Ford Foundation), the United States Information Agency (USIA), and the Peace Corps. Cultural exchanges between academia have been an effective tool in the pursuit of national security. Increased understanding between academia of different nations have provided an alternative, non-governmental, route towards the formulation of foreign policy. In addition, cultural exchanges provided by the Peace Corps (grass roots level), have enhanced international goodwill through providing volunteers for development



assistance in education, agriculture, health, small-enterprise development, and natural resource programs.[Ref. 50]

#### **F. COOPERATION WITH NON-ALIGNED COUNTRIES**

Non-alignment is the foreign policy of states who do not identify themselves with the major power blocs but retain the option of becoming aligned when necessary. "In the 1950s and 1960s the United States viewed 'neutrality' in the global ideological conflict as immoral." [Ref 21] In the 1970s, as far as Southeast Asia is concerned,

uppermost in American considerations was the loss the United States would incur through the implementation of ZOPFAN. It had treaties with the Philippines, South Vietnam, and Thailand and had very large bases in two of these countries. Malaysia and Singapore were members of the Five-Power Defence Arrangement. All this would be jeopardized and China and the Soviet Union would be allowed legitimate entry into Southeast Asia.[Ref 21]

Nevertheless, since the mid-1970s, the United States has held joint military exercises<sup>36</sup> and high level meetings with countries belonging to the non-aligned movement.

In addition to ZOPFAN, the United States perceived the creation of a SEANWFZ as undermining its global deterrence posture and as likely to have unequal effects on the United States and the Soviet Union, favoring the latter at the expense of the former.[Ref 21] As calls came for nuclear free zones in the Free World without corresponding calls by the

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<sup>36</sup> The United States has been holding joint military exercises with Malaysia since 1974. Joint military exercises are also conducted with Indonesia.

Warsaw Pact, the United States opted to repudiate these requests, and as far as New Zealand is concerned, suspended its obligation to that country in the ANZUS treaty. Overall the United States cooperated with non-aligned nations and where necessary it compromised with its enemies (i.e., arms control, China, Taiwan).

It is my hypothesis that beyond Subic Bay, the United States can effectively promote and protect fundamental national interests while playing a successful part in contributing to regional peace and stability in Southeast Asia. However, to be efficient and effective, this contribution should start with a fresh approach, leaving the Cold War paradigm behind.<sup>37</sup> Even more importantly, though, while looking for future contributions to make towards regional peace and stability, it is prudent to recall the words of the late Hon. Philip C. Habib during testimony before Congress after the Vietnam War:

... in terms of our interest and attitude, and our policy toward East Asia, Indochina developments have made clear the limits of our power to shape events in Asia ...  
[Ref. 51]

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<sup>37</sup> In leaving the Cold War adversarial paradigm behind, I understand that issues such as MIAs in Vietnam and North Korea, the reunification of North and South Korea, and the renewal of formal cooperative relations with China should be resolved.

## **VI. OPPORTUNITIES AND CHALLENGES**

The Cold War is over. With the departure of the United States' military forces from facilities in the Republic of the Philippines, the United States has been given the opportunity and challenge to reassess its commitments and capabilities in protecting its national interests on the far side of the Pacific. The success or failure, on the part of the United States, to rise to this occasion will surely determine the degree to which it can adequately fulfill a responsible role in the EA/P region tomorrow.

As the United States takes a new look across the Pacific, past policies must be modified to reflect the current challenge presented in the EA/P region. Specifically,

- American strategy in the Pacific remains a cautious adaptation of eurocentric Cold War policies to the new dynamics of a post-cold war world.[Ref. 52]
- American strategy in the Pacific has been excessively focused on military means to promote and protect United States interests. The Confucian Art of War, "to subdue the enemy without fighting is the acme of skill," will require security policy to be more focused on diplomatic (negotiation), political, economic, and psychological means.<sup>38</sup>
- Asia in the 1990s poses a radically new challenge to America. The military threat in the region that long defined the paramount issues, and against which the United States and its allies built a network of alliances, has

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<sup>38</sup> Sun Tzu's centers of gravity to attack before the application of force are the potential adversaries strategy and plans (will and morale) and then to disrupt its alliances.

diminished to a level that makes the existing Cold War security structures essentially obsolete.[Ref 52]

- The immediate challenge Asia presents is political-economic, but over the long haul America's broader security is at stake.[Ref 52]
- Politically, China and Southeast Asian countries will not support a regional environment conducive to perceived American values of democracy and human rights.[Ref 6]
- Politically and strategically, Southeast Asia perceives itself as being on the periphery of United States interests. In return, United States friends and allies are ambivalent about strengthening any security agreements or alliances with the United States.[Ref 6]

#### **A. AN OBJECTIVE**

I believe the time has come to create a new Pacific Community built on shared strength, shared prosperity, and a shared commitment to democratic values.<sup>39</sup>  
[Ref. 53]

During President Clinton's visit to Seoul in July 1993, he outlined the beginnings of a security policy for a new Pacific Community.

Above all, the United States intends to remain actively engaged in this region. America is, after all, a Pacific Nation ... We have fought three wars here in this century. We must not squander that investment. The best way for us to deter regional aggression, perpetuate the region's robust economic growth, and secure our own maritime and other interests is an active presence.[Ref 53]

The four priorities of President Clinton's vision for a new Pacific Community are

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<sup>39</sup> While security policy can be fashioned to support a new Pacific Community built on shared strength and shared prosperity, it is unrealistic to expect other Asia-Pacific nations to share a United State's commitment to democratic values.

- A continued American military presence in the region.
- Stronger efforts to combat the proliferation of weapons of mass destruction.
- New regional dialogues on the full range of common security challenges.
- Support for democracy and (or?) more open societies throughout the region.

President Clinton's hope is that

These elements of security can help create a Pacific region where economic competition is vigorous but peaceful; where diverse nations work as partners to improve their shared security; where democracy, as well as balanced military strength, takes its place as a guardian of security. [Ref 53]

## **B. A STRATEGY**

Edward Olsen has suggested that the United States adopt Japan's security policy of comprehensive security, adapted for United States interests, for application on a regional, and perhaps global, level. [Ref. 54] It appears that South Korea and China (and possibly some of the countries of Southeast Asia) have already adopted this strategy.

Comprehensive security, in Japanese terms during the Cold War, was

a way for it to stress Japan's economic role in global security while leaving most of the military facets of security to the United States. [Ref 54]

The basic foundation of comprehensive security, as defined by a Japanese Comprehensive National Security Study Group, July 2, 1980, [Ref. 55] is described in Table 10.

TABLE 10  
COMPREHENSIVE NATIONAL SECURITY LEVELS

NARROW SECURITY POLICY	ECONOMIC SECURITY POLICY
<p>First level efforts: Goal is creation of a more peaceful international order.</p> <ol style="list-style-type: none"> <li>1. International cooperation.</li> <li>2. Cooperation with countries that may become enemies, via arms control and confidence building measures.</li> </ol>	<p>First level efforts: Goal is management and maintenance of the independent order.</p> <ol style="list-style-type: none"> <li>1. Maintenance of the free-trade system.</li> <li>2. Resolution of the North-South problem.</li> </ol>
<p>Second level efforts: Described as intermediary efforts.</p> <ol style="list-style-type: none"> <li>1. An alliance, or cooperation with countries sharing common political ideas and interests.</li> </ol>	<p>Second level efforts: Described as intermediary efforts.</p> <ol style="list-style-type: none"> <li>1. Promotion of friendly relations with a number of nations that are important to a nation's economy.</li> </ol>
<p>Third level efforts: Described as self-restraint efforts.</p> <ol style="list-style-type: none"> <li>1. Consolidation of denial capability, that is, capability to prevent the easy establishment of a fait accompli; at its base, fostering denial of the state and society as a whole, strong will to protect the state's independent existence even by making sacrifices.</li> </ol>	<p>Third level efforts: Described as self-restraint efforts.</p> <ol style="list-style-type: none"> <li>1. Stockpiling.</li> <li>2. A certain degree of self-sufficiency.</li> <li>3. Basically, the maintenance of the nation's economic strength, that is, maintaining productivity and competitive export power.</li> </ol>

Source: Yasutomo, Dennis T. The Manner of Giving. Lexington Books, 1986.

Of course, the United States does not have military means for the pursuit of its security restricted as the Japanese presumably do by their constitution. Peace through strength has served America well in the past. However, as means and policies to promote and protect United States national interests in the EA/P region are adjusted to reflect the post-Cold War environment in the EA/P region, George Kennan would remind us that first and foremost

'The United States need only measure up to its own best traditions and prove itself worthy of preservation as a great nation.' [Ref. 56]

In addition, the embarrassments and difficulties which now characterize United States domestic conditions indicate that means should no longer be employed that risk destroying the very ends they seek to secure. [Ref 56] It is clear that our interests in the EA/P region will in no way be diminished, but our means and capabilities of protecting those interests must be reexamined. In the post-cold war world we need to take a new look at our military forces, bases agreements, alliance system, security assistance policies and people to people programs.

### **C. MILITARY-SECURITY POLICY CHANGES**

Advances in military technology, budgetary constraints, changes in the art of war, and America's commitment to economic renewal are causing major upheavals in security planning in the post-cold war era. Military analysts are

concerned that a serious erosion in military preparedness may be in the making.<sup>40</sup> [Ref. 57] Downsizing (or rightsizing) calls for reduced military numbers while preserving a forward presence. Advances in military technology (mobile theater ballistic missile defense systems) and the move towards a strong central strategic policy (based on CONUS and forward bases on United States territory in the Pacific), displaces the need for United States bases on foreign soil and increases reliance on accessibility agreements for peacetime operational logistical support. No longer needing to provide military assistance payments to retain basing or access rights, security assistance can be reprogrammed to distribute assistance based on functional categories in accordance with national objectives.

**1. Reduction of Numbers with Need for Continued Presence**

Although countries in the Southeast Asian sub-region are generally calling for a reduced presence of U.S. military forces, they still feel that the United States should remain engaged in Asia to alleviate any possibility of a regional hegemon appearing. [Ref 6] Of biggest concern is China's claim of sovereignty over the South China Sea with the potential to

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<sup>40</sup> Excessive restrictions on defense spending and excessive commitments to peacekeeping and humanitarian operations may be reducing military readiness programs to unacceptable levels.



back it up with force.<sup>41</sup>[Ref. 58] Southeast Asian countries also feel that the United States-Japan military security arrangement is vital to ensuring stability in the EA/P region.[Ref. 59]

The military strategic value of the Southeast Asian sub-region to the United States in the post-cold war era has decreased immeasurably.<sup>42</sup> The evolving military capabilities of the Southeast Asian countries<sup>43</sup>, makes it possible for the United States to reduce its forward deployed military presence in Southeast Asia. In addition, permanent deployment of large numbers of military forces would indicate what David Fromkin [Ref 84] calls de facto commitments,<sup>44</sup> of which the United

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<sup>41</sup> A continued United States presence in Southeast Asia is desirable due to the dichotomy in China's policy regarding the South China Sea (i.e., they want sovereignty over the South China Sea and at the same time they want good relations with their ASEAN neighbors). In addition, while a continued U.S. presence will not stop or even significantly slow the growth of indigenous forces, it will provide a framework for orderly growth and conservative use of those forces.

<sup>42</sup> However, the sub-region is still of strategic significance as a back-up route in case of closure of the Suez Canal.

<sup>43</sup> The rapid military build-up and modernization of Southeast Asian navies and air forces has significantly increased the ability and scope of these countries to monitor the sea lines of communication and corresponding exclusive economic zones.

<sup>44</sup> Fromkin defines alliance commitments into three categories: (1) de jure commitments - those legally binding by international law, of which the United States has none; (2) apparent commitments - obligations we believe ourselves to have undertaken, even though not legally binding. These are essentially political commitments which the legislative branch could overrule; and (3) de facto commitments - material

States should no longer pursue in a less than vital sub-region. In short, United States military forces cannot be sensibly committed to either fight any local insurgency, any local territorial skirmish, or defend any elite-led government.[Ref 47]

Looking beyond the Southeast Asian sub-region, a credible United States military presence in the EA/P region is universally desired, but we must ask ourselves just what it is that we expect those forces to do? Promoting and protecting fundamental United States national interests during peacetime gives rise to the plausible missions of the evacuation of American personnel in crisis situations, monitoring the freedom of the seas for commerce, fostering goodwill through military to military relations, and balanced military strength for deterrence. Does it take 98,000 military personnel to do this in a peacetime, maritime environment?

United States under-secretary of Defense for Policy Frank Wisner believes so. He has stated that the defense department is aiming to hold Pacific force levels at approximately the same levels in the years ahead. [Ref. 60] However, the Asia-Pacific region is a maritime theater. Therefore, are the 98,000 troops the right military personnel for Pacific maritime operations in that

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dispositions (usually the placement of military forces on foreign soil) that make it practically unfeasible for the United States to refrain from action.

they are constantly flexible and mobile without implying any de facto military commitment?

The United States still retains large numbers of permanent based military personnel in Japan and South Korea. Each has identified the other as a threat in the post-cold war era. Japan also cites potential adversaries as China and Russia.

Why, by interweaving our destiny with that of any part of Europe (Asia); entangle our peace and prosperity in the toils of European (Asian) ambition, rivalry, interest, humour, or caprice? [Ref 14]

There is no longer any reason for United States military personnel to be deployed as tripwires to satisfy the psychological needs of other nations or to prove the United States creditability in the post-cold war era. [Ref 85] Three American-led wars in the Pacific in the last 50 years provides ample evidence that the United States lives up to its commitments and protects its interests.

It appears that the United States government is still providing for a global interventionary force structure. This gives credence to charges that security planners are not yet realizing that the Pax-Americana days are gone, and that the new international system will be beyond the control of order. [Ref. 61] Earl Ravenal believes that

A noninterventionist defense program, after a five-year sequence of cuts, would cost (in 1991 dollars) \$150 billion; require 1.125 million military personnel; and provide six army divisions and two marine divisions, eleven air force tactical air wings, and six carriers with five air wings, in addition to a dyad of strategic nuclear

forces consisting of submarine-launched ballistic missiles and bombers with medium-range cruise missiles. These forces, no longer committed to overseas defense, would be based in the United States. This program would produce, over a half a decade, a further cumulative peace dividend, beyond the \$227 billion already predictable, of \$333 billion (or a total of \$560 billion). [Ref 61]

While detailed force structuring and planning is beyond the scope of this analysis, there does appear to be some room for negotiation between a global interventionary force that assumes the United States alone must continue to protect friends and allies and an America first force structure, where all nations chip in.

## **2. Accessibility Arrangements in Lieu of Bases**

The Pacific Fleet Basing study completed by the Center for Naval Analysis (CNA) in May 1993 summarizes that the loss of Subic Bay initially threatens overall fleet readiness more than it threatens presence. However, forward presence becomes jeopardized indirectly by the readiness problem. [Ref. 62] Recommendations provided by CNA for the Pacific Fleet are:

- Continue the search for alternatives to meet the fleet's readiness needs by relying on facilities while keeping the homeports in Japan. Alternatives provided by CNA include (1) relying more on United States sites for making greater use of Guam for certain logistics and training needs or returning air wing personnel to Alaska or other United States sites for critical training; (2) on a small scale, airlift the crews for small ships to forward areas to keep the ships out longer; and (3) use multiple crews and shorter maintenance and work up cycles for aircraft carriers at California homeports to get more forward time per carrier.

- Accept lower readiness standards for the clear, force-multiplier advantages accrued to the presence mission from the homeports in Japan.
- Give up the homeports in Japan and the forward presence advantages that they convey by withdrawing to United States west coast homeports to better exploit the readiness opportunities available at CONUS sites. [Ref 62]

CNA's study estimates that a continued United States tenure at Japanese bases are reasonably optimistic for at least 4-5 years. However, due to Japanese and United States political considerations along with the dynamics of the current upheaval of the international system, the availability of United States bases in Japan thereafter is unpredictable. Without forward basing of the Independence battle group in Japan, a strategy that emphasized equal maritime presence in both Southwest Asia and Northeast Asia/Northwest Pacific could at best be achieved only 40 percent of the time (assuming 6 carriers are maintained by the Pacific fleet). [Ref 62] This indicates that priorities will have to be changed.

When searching for access availability, the CNA study cited the following national and transnational issues which affected access availability in Asia: (1) regional stability (Arabian Gulf oil, North Korea, emergent power balances, freedom of navigation, and territorial disputes); (2) budgetary and cost containment issues, national economies and burden sharing, trade and investments, and environment); and (3) national identity and cultural issues (anti-colonialism,

intrusiveness of U.S. forces, human rights sensitivities, and status of forces agreements).

In CNA's study, Japan, South Korea, Singapore, and Malaysia fell into the first category. The prospect of turbulence in mainland China, war or normalization on the Korean peninsula, mitigating the animosity many East Asians feel towards Japan and reestablishment of some acceptable relationship with Russia were described as important centripetal forces for retaining U.S. naval forces in and around Japan.[Ref 62] Polling data conducted during CNA's study, though, cited 63% of Japanese and 51% of Americans favoring a gradual reduction of U.S. forces from Okinawa.<sup>45</sup>

In CNA's study, the Philippines, Indonesia, and Australia fell into the last two categories of budgetary and cost containment issues along with national identity and cultural issues. The Philippines and Australia cited burden sharing due to treaties with the United States as a reason for granting access.[Ref 62] Politically, however, the rising salience of environmental issues - noise from aircraft engines, hazardous waste disposal, and proximity of ammo storage to population centers - weighs heavily against granting U.S. forces access. In addition, due to former colonialization, Southeast Asian countries are very wary of

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<sup>45</sup> 18% of the Japanese polled favored an immediate pullout. Factors cited that would trigger anti-Americanism included defeat of the LDP, increasing nationalism, economic recession, and trade policies.

the sovereignty-compromising aspects of a foreign military presence and remain sensitive to foreign intrusiveness.<sup>46</sup>

A final point brought forward in the CNA study was political-military considerations. In short, CNA asked if there is anything more to be gained by configuring United States forces and operations for greater political effectiveness and access without dangerously compromising military effectiveness? [Ref 62] The Secretary of Defense's Bottom Up Review, September 1993, stated that operational readiness was the number one priority in the defense program. Clearly, adjustments to political commitments may have to be made.

In the meantime, the government of Singapore has agreed to expand United States military access to existing Singaporean facilities and host Seventh Fleet's logistics command.<sup>47</sup> The Republic of the Philippines has authorized the United States military access for the purpose of carrying out the Mutual Defense Treaty (as long as the Philippine government is notified ahead of time). The United States has also been offered limited access for repairs, replenishment and training in Australia, Thailand, Malaysia and Indonesia.

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<sup>46</sup> Southeast Asian countries feel about independence the way that Americans feel about freedom.

<sup>47</sup> The United States has been granted one pier and some hangar space for storing one squadron of F-16s along with repair parts.

In addition, Brunei is considering building a aircraft training site for local training by all nations.

For future reference and potential accessibility sites, a dissertation completed by Katherine Webb on overseas bases, with particular reference to United State's facilities in the Philippines, provided alternative locations for accessibility of United States forces.[Ref. 63] The criteria she used for evaluating Navy alternatives for ship repair included a large harbor (approximately 10 ships), a large labor force and a nearby military use airfield. The criteria she used for Naval supply operations were a harbor capable of handling container shipping and a nearby airfield. The criteria used for Naval magazine operations includes 90 acres of unencumbered land near water and within 3 days sailing time of the Subic Repair Facility. The criteria used for Naval air maintenance and training operations were a large military use airfield and its proximity to a large harbor. Tables 11 through 14 provide the results of her efforts.



TABLE 11  
ACCESSIBILITY ALTERNATIVES FOR SHIP REPAIR

<u>Alternative</u>	<u>Facility Type**</u>	<u>Facility Status*</u>			
		<u>Harbor</u>	<u>Repair &amp; Supply</u>	<u>Magazine</u>	<u>Airfield</u>
Perth, Australia	C	E	E	E	E+
Guam	M	E#	E+	E	E+
Surabaya, Indonesia	C/M	E#	D	D	E+
Sasebo, Japan	C/M	E	E	E	D
Yokosuka, Japan	C/M	E	E	E	E
Pusan, Korea	C	E	E	D	E+
Yosu, Korea	C/M	E	D	D	E+
Labuan, Malaysia	C	E#	D	D	E+
Lumut, Malaysia	M	E#	D	D	E+
Penang, Malaysia	C/M	E#	D	E	E+
Karachi, Pakistan	C	E	D	D	E+
Palau	M	E	D	D	D
Ch'ingtao, PRC	C	E	D	D	E+
Singapore	C/M	E	E	E	E
Taipei, Taiwan	C	E	E	D	E
Sattahip, Thailand	C/M	E#	D	D	D
Songkhla, Thailand	C/M	E#	D	D	E+
Tinian	M	E#	D	D	D

\* E=exists, D=must be developed

\*\* C=commercial, M=military

+ Expansion needed to handle large numbers of aircraft (i.e., carrier air wing)

# Harbor size sufficient but needs dredging or other expansion to handle all U.S. combatants

Source: Webb, Katherine. Are Overseas Bases Worth the Bucks?  
RAND Graduate School, 1993.

TABLE 12  
ACCESSIBILITY ALTERNATIVES FOR NAVAL SUPPLY OPERATIONS

<u>Alternative</u>	<u>Facility Type*</u>	<u>Facility Status**</u>	<u>Access to Airfield**</u>
Perth, Australia	C	E+	E
Diego Garcia	M	E+	E
Guam	M	E+	E
Surabaya, Indonesia	C/M	D	E+
Ishigaki, Japan	C/M	D++	E
Sasebo, Japan	C/M	D++	E
Mombassa, Kenya	C	D	E
Pusan, Korea	C	E	E
Yosu, Korea	C/M	E+	E
Labuan, Malaysia	C	D	E+
Penang, Malaysia	C	E	E
Lumut, Malaysia	M	E+	E+
Karachi, Pakistan	C	D	E
Palau	M	D	D
Ch'ingtao, PRC	C	D	E+
Singapore	C	E	E
Taipei, Taiwan	C	E	E
Sattahip, Thailand	C/M	D	D
Songkhla, Thailand	C/M	D	E
Tinian	M	D	D

\* C=commercial, M=military

\*\* E=exist, D=must be developed

+ Some expansion of facilities needed

++ Development already under consideration by the Japanese

Source: Webb, Katherine. Are Overseas Bases Worth the Bucks?

RAND Graduate School, 1993.

TABLE 13  
ACCESSIBILITY ALTERNATIVES FOR NAVAL MAGAZINE OPERATIONS

<u>Alternative</u>	<u>Facility Status*</u>	<u>Facility Capacity**</u>
Darwin, Australia	D	1
Guam	D	1
Surabaya, Indonesia	D	1
Sasebo, Japan	E	1/4
Labuan, Malaysia	D	1
Lumut, Malaysia	E	1/2
Palau	D	1
Subic Bay, Philippines	E	1
Singapore	E	1/4
Taipei, Taiwan	D	1/2
Sattahip, Thailand	D	1/2
Songkhla, Thailand	D	1/2
Tinian	D	1

\* E=exists, D=must be developed

\*\* Capacity is relative to Subic Bay which equals 1.

Source: Webb, Katherine. Are Overseas Bases Worth the Bucks? RAND Graduate School, 1993.

TABLE 14  
ACCESSIBILITY ALTERNATIVES FOR NAVAL AIR  
MAINTENANCE AND TRAINING

Alternatives	Facility Type**	Facility Status*	Ancillary Facilities*		
			Ship Repair	Supply	MAG
Perth, Australia	M	D+	E	E	D
Diego Garcia	M	D+	D	E	E
Guam	M	D+	E++	E	E++
Surabaya, Indonesia	M	D	D	D	D
Atsugi, Japan	M	E	E	E	E
Ishigaki, Japan	M	E+	D	D	D
Sasebo, Japan	M	D	E	E++	E
Kimhae, Korea	C/M	D+	D	D	D
Butterworth, Malaysia	M	E++	E	E	E
Labuan, Malaysia	M	D	D	D	D
Palau	M	D	D	D	D
Singapore	C	E++	E	E	E
CCK, Taiwan	M	E++	E	E	E
Hat-Yai, Thailand	C/M	D+	D	D	D
U-Tapao, Thailand	M	D	D	D	D
Tinian	M	D	D	D	D
Moli	M	D	-	E	-

\* E=exists, D=must be developed

\*\* C=commercial operations, M=military operations

+ Airfield exists but repair facilities do not and additional ramp space is probably needed.

++ Airfield and facilities exist but some expansion is probably necessary to handle the volume of U.S. traffic.

Source: Webb, Katherine. Are Overseas Bases Worth the Bucks?  
RAND Graduate School, 1993.

### 3. From Collective Defense Treaty System to Multilateralism

President Clinton reaffirmed the United States political commitment to its security treaties with South Korea, Japan, Australia, the Philippines and Thailand during his visit to Seoul in July 1993. In doing so, he correctly pointed out that these treaties are bilateral in nature, and do not constitute any semblance of a collective defense treaty

system, in reality or rhetoric, in the post-cold war era.<sup>48</sup> Legally, however, these bilateral treaties only commit the signatories to "consult together" in case of danger, and to "take action in accordance with constitutional processes" in the event of external aggression.

As domestic budgetary constraints increase in the coming years, United States political commitments may have to be brought back in line with military and economic capabilities. Cold war friends and allies will be forced to accept that bilateral treaties are, in essence, simply redundancies of the articles provided for in the Charter of the United Nations (which was put on hold due to the nature of the Cold War). Therefore, the challenge and opportunity for the United States is to re-emphasize its political commitment to multilateral security arrangements, as outlined in the United Nations Charter, so that outdated Cold War bilateral security treaties can finally be laid to rest.

Multilateralism stands for a long held but rarely achieved ideal: the voluntary cooperation of nations for peace and development.[Ref. 64]With the changing international security environment and renewed prominence of the United Nations, the scope of United Nations efforts has widened the potential for greater United States participation

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<sup>48</sup> During the Cold War, these treaties were normally defined as a web binding all signatories to act in joint responses similar to NATO.

and support for preventive diplomacy and/or collective security.[Ref 38] Inis Claude points out that

a revitalized United Nations may, by facilitating negotiation and cooperation and by developing its potential as a central service agency (Peacetime Engagement), contribute substantially to solution of problems distinct from, and in most instances not directly related to, aggression. The major value of a resurgent world organization can be expected to derive not from increased power to coerce states, but from expanded usefulness to states.[Ref. 65]

Multilateral cooperation will undoubtedly take unexpected forms and ad hoc coalitions will be required to deal with specific regional contingencies. However, renewed efforts at multilateralism for dialogues can provide confidence-building measures for global and regional powers, create a new sense of openness between North-South and East-West relations, work towards decentralizing the overwhelmed United Nations bureaucracy,<sup>49</sup> increase global pluralism, and provide forums for open, "cooperative competition".[Ref 73] In this manner, regional balances of power, whether bipolar or multipolar, can be stabilized without excessive American intervention. As Earl Ravenal states,

American intervention encourages regional countries to hang back, perhaps placating urgent and personal American presidential appeals with small or even token gestures of

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<sup>49</sup> Chapter VIII, Articles 52-54, of the Charter of the United Nations calls for "regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the United Nations."

cooperation, and watch the Americans do the geopolitical work they should be doing for themselves. [Ref 61]

While regional multilateral diplomacy may be far more difficult for Washington in the absence of being able to dominate as it once did<sup>50</sup>, other EA/P regional powers are highly sensitive to regional opinion (peer pressure) and fear isolation. [Ref. 66] Therefore, the United States has a significant opportunity to build ad hoc coalitions (through consensus building) that support common goals and interests among regional nations, reduce the so-called free-ride of some Asian nations at America's expense, and increase the openness of political posturing by encouraging all regional countries to speak for themselves. [Ref 66] As Takashi Inoguchi points out,

Multilateralism places Japan in a slightly different context, allowing it to mobilize support from other countries by propounding a certain set of policy ideas. It allows Japan to be a banner-weaver. Whether Japan wins support or not in a multilateral context is not an issue for Japan. When it wins the majority, that is fine. When not, one can bemoan the lack of appreciation shown for the country's policy initiative. [Ref. 67]

#### **4. Reassessment of Security Assistance**

The FY1994 security assistance budget request reoriented resources based upon functional categories rather than traditional bilateral payments to friends and allies for

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<sup>50</sup> As Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, has pointed out, the United States will have to listen more and talk less. The wisdom of following is sometimes superior to that of leading.

base and facility accessibility. These functional categories include Middle East Peace, Defense Cooperation and Regional Security, Economic Development, Counter-Narcotics, Peacekeeping, Non-proliferation and disarmament, and Democratic Development.[Ref. 68] Table 15 breaks down FY 1994 Security Assistance for the East Asia and Pacific region. The security assistance report submitted to Congress also asked for legislative assistance in revising the 1961 Foreign Aid and 1976 Export Control Act.

#### **D. NON-MILITARY POLICY CHANGES**

Realizing that the post-Cold war era is going to be more competitive in economic than military terms, the mighty United States must update its economic productivity and influence to match its vaunted military power. Non-military security policies will need to be expanded and reshaped from strictly bilateral relationships to global and regional multinational programs. This can be seen in the renewed emphasis on restructuring foreign aid, adherence to global programs, such as GATT, the IMF, and the World Bank, a renewed emphasis on multinational, regional forums for economic prosperity, such as the APEC, and a renewed interest in expanding people to people contacts.



TABLE 15  
FY 1994 SECURITY ASSISTANCE TO EAST ASIA/PACIFIC COUNTRIES

RECIPIENT	ECONOMIC SUPPORT	FMF GRANT	IMET	PKO
CAMBODIA	\$10,000-1			
SOUTH KOREA			\$ 200-1	
MALAYSIA			800-1	
MONGOLIA	3,000-2		75-4	
PAPUA NEW GUINEA			125-5	
PHILIPPINES	10,000-2	7,700-1	2,000-1	
SINGAPORE			20-1	
SOLOMON ISLANDS			50-1	
S.P. TUNA TREATY	14,000-1			
S.E. ASIA REGIONAL	20,000-3			
THAILAND			1,800-1	
TONGA			50-5	
VANUATU			50-5	
WESTERN SAMOA			50-5	
TOTAL				

Functional Categories:

- 1 Regional Security and Defense Cooperation
- 2 Economic Development
- 3 Peacekeeping
- 4 Democratic Development
- 5 Promote Professional Military to Military Relationships

Source: The DISAM Journal, Summer 1993.

## **1. Changes in Aid/Economic Assistance Programs**

'Only by giving the American taxpayer a return on our foreign aid investment can we build a broad-based constituency for foreign aid. Only by understanding the marriage of our economic and foreign policy goals, can we realize them in the decade ahead.'<sup>51</sup> [Ref. 69]

The basic point of departure for a new mutual aid rationale should be a shift in emphasis away from short-term objectives and toward longer-term economic objectives. [Ref 70] Strengthened trade and investment relationships with developing countries constitute not only good development strategy but the basis for good, long-term foreign policy as well. [Ref 70]

United States economic assistance can provide direct support to United States exports. This can be done by tying aid projects to procurement in the United States, similar to the approach the Japanese have used. [Ref. 70] Another way that economic assistance can be more effectively used is in basing the aid on developmentally sound infrastructure projects, in lieu of cash transfers.<sup>52</sup> [Ref 70]

Infrastructure (communications, transportation, power-generation) projects, financed either through grants or low-interest concessionary loans, provide direct assistance to the

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<sup>51</sup> Statement by Senator David Boren.

<sup>52</sup> In the past, cash transfers essentially enhanced the financial power of the central government instead of the private sector, provided a cushion to permit the postponement of unpopular but necessary economic reforms, and undermined the efforts of reform-minded governments.

private sector and the United States. As a developing country's infrastructure increases, the costs associated with trade decreases, the potential for investment from the private sector increases, and the country becomes more stable, hence contributing to international security. This is basically the approach the Japanese used to build up the economies of East and Southeast Asia, and is currently used by all other major aid donors.

In a draft given to Congress late November 1993, the Clinton administration has proposed its new foreign aid program. This new approach will attempt to coordinate all federal agencies with international programs (which can enhance multinational donor cooperation, i.e., United Nations, OECD and multinational development banks) and place all international aid programs under the Department of State.

[Ref. 71] The policy objectives of the new foreign assistance program are as follows:

- Promoting sustainable development by encouraging economic growth, population control and protection of the environment.
- Promoting democracy by aiding fledgling democracies, especially with training. Aid would be cut off to any nation in which a military coup overthrows an elected government.
- Promoting peace by aiding regional defense groupings and anti-drug efforts and rewarding nations that refrain from developing weapons of mass destruction.
- Providing humanitarian assistance by creating an emergency refugee and migration assistance fund.

- Promoting growth through trade and investment by coordinating the work of the Export-Import Bank, the Overseas Private Investment Corp. and other international development agencies with the aid program.
- Advancing diplomacy by specifying that the secretary of state directs policy for all U.S. international aid programs, not only in the Agency for International Development but also in such related agencies as the Overseas Private Investment Corp and the Export-Import Bank. [Ref 71]

## **2. Adherence to Global Programs**

A major commitment by the United States to project financing for its bilateral mutual aid program would enable a more active United States role in aid donor coordination. [Ref 70] Multilateral development banks (MDBs) have the advantage of making project loans on an untied basis, subject to international competitive bidding. Since the United States played the historic role in bringing the MDBs into existence and nurturing them over the last 50 years, the United States has significance influence over the policies of the MDBs.

Despite political and managerial problems, MDBs make a significant contribution to shared global goals. [Ref. 72] In addition, a dynamic, thriving, and export-led United States industry can utilize United States membership in the MDBs in ways that will help stimulate greater growth and new markets. [Ref 72] In short, United States jobs, productivity, research and development, investment and business arrangements are all capable of being promoted via United States membership in MDBs. [Ref 72]

In addition to the MDBs, other "cooperative competition"[Ref. 73] regimes, including the General Agreement on Tariffs and Trade (GATT), the World Bank and the International Monetary Fund, are all established networks in which the United States has enormous influence and through which it can pursue cooperative competition. While not suggesting any surrender of United States sovereignty to any international regime, United States strategy should seek to extend leverage through cooperative international organizations to shape and restrain the form of regional competition.[Ref 73]

### **3. Participation in Regional Multinational Programs**

The United States' trade, investment, and military ties in the EA/P region are vital to its economic health and overall security.[Ref. 74] Thus, in order to maintain a regional economic balance of power favorable to the United States, the United States must start working with the Pacific Basin countries to ensure economic prosperity favorable to all concerned.

ASEAN governments support private sector entrepreneurial growth, domestic and foreign investment, and an open world trading system. U.S. business people have found ASEAN countries good places to trade and invest.<sup>53</sup> In

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<sup>53</sup> While some assume that Southeast Asian countries are simply flying geese (taking after the Japanese economic model), it is important to remember that economies are shaped

December 1990, the U.S. Trade Representative and ASEAN ambassadors signed a memorandum of understanding to establish regular, ministerial-level trade consultations and a working group of senior officials to explore mechanisms to enhance trade and investment relations under a program known as the ASEAN-U.S. Initiative.[Ref. 75] However, as economic and trade competition continues to build in the coming decade, a renewed effort will be required to encourage regions to remain outward looking for economic growth. The best avenue to pursue for multinational economic cooperation in the EA/P region is the Asia-Pacific Economic Cooperation (APEC).

APEC was established in 1989 at the prodding of Australia and Canada. This multinational consensus organization is one building block towards global trade (not a regional trading block). The purpose of APEC is to promote freer trade and investment patterns to increase the economic prosperity for all concerned. Its unofficial correspondent is the Pacific Economic Cooperation Council (PECC), founded by Canberra in 1980 (the business community has long ago figured out that future outward-looking economic development requires extensive cooperation between Asia-Pacific nations). [Ref. 76]

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by social and political cultures. Southeast Asian political and social cultures are very diverse and hardly a replica of Japan.

Despite the Asian preference to keep arrangements loose, informal, and evolving slowly in a non-legalistic manner, President Clinton invited all the heads of state of members of the APEC to its annual meeting held in Seattle in November 1993. The only head of state to abstain from the meeting was Malaysia's Prime Minister Mahatir.<sup>54</sup> Nevertheless, the meeting was successful in that it was the first time all these heads of state had sat down together in an informal setting. In addition, Indonesia's President Suharto, who will hold the annual APEC meeting in 1994, has extended an invitation to all the heads of state, once again.

The importance of APEC to support cooperative economic competition in the future is only beginning to be realized by some Asia-Pacific governments. For one, the best way to address trade imbalances between Japan and other countries will be through multilateral arrangements. South Korea and other Asian countries complain about many of the same practices that American companies cite, like Tokyo's export policies and the barriers to selling foreign products in Japan. Over the last four years,

Japan's trade surplus with East Asia has more than doubled to \$42 billion in 1992 from \$18 billion in 1989. Japan's exports to East Asia - \$116.4 billion - now far exceed the country's exports to the United States. [Ref. 77]

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<sup>54</sup> Prime Minister Mahatir fears that an informal summit meeting would subsequently institutionalize APEC, causing ASEAN members to lose their voice in economic and trade issues as the power base shifts to Washington.

Indeed, Suh Sang Nok, a member of the National Assembly and a key policy advisor to South Korea's President Kim Young Sam, has stated that

Everyone in the world has the same problem with Japan. It gets to be a friendship and a philosophy issue. [Ref 77]

Secondly, APEC can help push China towards complying with GATT principles and receive GATT membership. Beijing is very aware of Japanese gains at the expense of the United States, but the importance it attributes to the development of Sino-U.S. relations remains substantial as both countries share common interests on an extensive scale.<sup>55</sup> [Ref. 78] With current United States problems with trade relations with China, APEC can be an instrumental channel for negotiations.

In addition, without underestimating the role of Japan, the major economies of the region which are predominantly Chinese, in addition to mainland China, include Taiwan, Hong Kong, and Singapore.

This economic epicenter for commerce and finance contains substantial capital, technology, and manufacturing capability (Taiwan), outstanding marketing and a services acumen (Hong Kong), a fine communications network (Singapore), and large endowments of land, resources, and labor (mainland China). [Ref. 79]

Similar to Japanese methods, these rapidly developing Pacific rim countries are turning to suppliers, often on a family

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<sup>55</sup> According to Party secretary Jiang Zemin, there is no fundamental conflict of interest between the U.S. and China, and neither side poses a threat to the other.



basis, within their own region for their imports. These newly developing countries now buy 33 percent of their imports from other nations within the region, compared to less than 24 percent in 1985.[Ref 79] As such, APEC can help apply pressure or transparency, as required.

Thirdly, with respect to international trade of merchandise, the Pacific Basin is more dynamic and even more integrated than is the European Community.[Ref. 80] Lawrence Krause believes that

developments in Europe will push countries in the Pacific Basin to give more structure to their region in order to be able to exercise countervailing power. Nevertheless ... constructive relations can be established between the European region and the Pacific Basin region. [Ref 80]

Therefore, through APEC, the United States can work to facilitate an open trade balance between regions based on GATT. In addition, during July 1993 ASEAN Post Ministerial Conference, the ASEAN members and the United States agreed to lay the groundwork for linkages between AFTA and NAFTA. [Ref. 81] A joint study on AFTA-NAFTA links is to be conducted by ASEAN and the United States in 1994.

Finally, economic relations in the region are not a zero sum game, but they cannot be taken for granted, especially now that trade frictions will no longer be subdued by the more critical security arrangements that obtained under the Cold War.[Ref. 82] Almost all Asian countries have adopted industrial policies in their economic development

models.<sup>56</sup> APEC and the PECC can help ease economic conflict by insisting that all parties abide by the same principles in pursuing economic growth and allowing for the coordination of industrial policies between all countries. APEC can provide these principles through trade and investment frameworks to move from consultation to working on problems.

#### **4. Expanded Cultural Exchanges**

Cultural exchanges have increased the mutual understanding of peoples in the United States and abroad. Grass roots level exchanges, especially, indicate America's sincerity in helping all other peoples meet their basic needs and, when and where possible, improve their living standards. Two programs I will address are the United States Information Agency (USIA) and the United States Peace Corps.

As stated by Joseph Duffey, director of the USIA, the foundation of multinational trade talks such as APEC begins with cross-cultural student exchange programs ... what foreign and American student learn from each other may be intangible; but it is of no less importance. Foreign students bring to the US vitality, energy, and new ideas. In turn, they experience the debate, tumult, and freedom of a democratic, ethnically diverse, free-market society. [Ref. 83]

As pointed out by Joseph Duffey, five of the fifteen heads of government at the APEC multinational trade meeting in Seattle, November 1993, had received education at American

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<sup>56</sup> Australia and Japan have both coordinated their industrial policies with ASEAN countries during their annual economic ministers meetings.

institutions. While these leaders may not necessarily imbue America's democratic values, cross-cultural education has provided them insight into our ideals and values, and left them with prerogative to implement (or not) learned ideas and values from abroad as applicable to their own societies.

The Peace Corps was established to help (1) the peoples of other countries meet their needs for trained manpower, particularly the basic needs of those living in the poorest areas of such countries; (2) promote a better understanding of the American people on the part of the peoples served; and (3) promote a better understanding of other peoples on the part of the American people. [Ref 50]

In 1985, Congress mandated the objective of staffing the Peace Corps with 10,000 individuals. To date, it has been an unrealizable goal. Due to budgetary constraints and low visibility, the Peace Corps has not received the attention it deserves. It has been unable to recruit sufficient volunteers with specialized skills (i.e., doctors, engineers, agronomists) and minority backgrounds. In addition, assignments have not been developed based on host country needs, indicating that oversight (or priorities) has been somewhat lacking.[Ref 50] As the United States reduces the numbers of its military personnel, the Peace Corps could provide an alternative route for service-aspiring minority and less privileged students who possess specialized skills desired by the Peace Corps. The General Accounting Office has

even recommended that a ROTC program be developed for Peace Corps volunteers.

### **5. From Friends and Allies to Other Nations**

David Fromkin believes that the first question to ask about any alliance commitment - a commitment to go to war in given future circumstances - is why make it?[Ref. 84]

if we are not prepared to decide in advance when we will go to war, we ought not to have treaties which purport to be treaties of mutual defense or alliance. Such treaties begin by fooling others, who mistakenly think we have agreed to defend them; they end by fooling us, when apparent treaty commitments generate political pressures which impel us to defend foreign countries despite the lack of any legal treaty commitment to do so. [Ref 84]

In the post-cold war era, there is no clear and present threat that the United States can commit itself to go to war against. Future priorities will differ from state to state within the EA/P region, depending upon particular problems and immediate needs.[Ref 85] The United States must remain flexible in shifting tactics and strategies to accomplish its own objectives, and the help of other nations will be required, depending upon the nature of the priority. [Ref. 85] George Washington's Farewell Address, partially outlined below, warns against political attachments to nations and continues to provide concrete guidance for the conduct of international relations.

Nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that in place of them just and amicable feelings towards all should be cultivated. - The Nation, which indulges towards

another an habitual hatred or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest ... Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducement or justification: It leads also to concessions to the favorite nation of privileges denied to others, which is apt doubly to injure the Nation making the concessions; by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill-will, and a disposition to retaliate, in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens, (who devote themselves to the favorite nation) facility to betray, or sacrifice the interests of their own country ... [Ref 14]

**a. New Attitudes Towards the Non-aligned Countries**

As part of the upheaval in the international system, the United States has become more receptive to the concerns and opinions of the non-aligned countries. This is evident in the support given ASEAN towards the creation of the regional security forum along with hearing the concerns of President Suharto, President of the Non-aligned movement, during the G-7 meeting in Tokyo in June 1993.

In order to continue to promote and protect fundamental national interests in the post-Cold War era, the United States needs to harness the goodwill of other nations. To do this, the United States must now build relationships with the non-aligned where interests converge and allow for flexibility where they diverge.

While evolving slowly, ASEAN has picked up the ball on regional security issues. The critical factor for them will be in how Japan will be able to fit into the arrangement. While Japan's role is now primarily economic, Tokyo wants to add a political dimension. The question for ASEAN and Japan in the 1990s is how to define that role. Most countries in the region, and indeed many Japanese, would prefer that Tokyo eschew the status of a military power. Most would also be more comfortable with Japan's working in concert with others or the United Nations, as it has done in Cambodia, rather than unilaterally. The parameters will be defined through an ongoing debate within Japan and discussion between Tokyo and its neighbors. Today there is no firm consensus either in Japan, in the region or across the Pacific on what Japan's role should be.[Ref. 86]

The United States can best contribute towards regional security dialogue by supporting the progress made and offering advice and direction when asked. At the same time, though, the United States should insist that Asian countries solve their diverse security problems on their own. [Ref. 87] This may also be achieved by urging South Korea and Australia to play mediator roles between ASEAN and Japan and ASEAN and China.[Ref. 88]

One other turn for the United States in regards to the non-aligned, is rethinking its previous opposition to a SEANWFZ. Making Southeast Asia a region where the

manufacture, acquisition and storage of nuclear weapons was forbidden, would help prevent the spread of nuclear arms.

[Ref. 89] During the July 1993 ASEAN PMC, United States Secretary of State Warren Christopher was assured that

the treaty would preserve all existing rights of passage through international sealanes and airspace in Southeast Asia for foreign ships and aircraft even if they carried nuclear weapons. Individual countries in the region that signed the treaty would also be able to decide for themselves whether to allow access to their ports and airfields for foreign ships and aircraft carrying nuclear weapons. [Ref 89]

***b. Special Problems Inherent in the Rapid Growth of China***

The rapid growth of China, if it continues, may be the most important trend in the world for the next century.

[Ref. 90] The most populous country in the world sits on the United Nations Security Council, has the third largest global economy,<sup>57</sup> maintains a small (relative to the United States and Russia) but capable nuclear arsenal, and is rapidly improving its military-industrial capabilities.

Whether or not China will manage to break into the global scene as a major military-industrial power remains to be seen. However, the implications either way could be disastrous. If reforms falter, civil war, a military coup, or warlord chaos could break out.[Ref 90] Consequences could

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<sup>57</sup> World Bank estimates in terms of purchasing power parity ranks the United States first at \$5.61 trillion, Japan second at \$2.37 trillion, and China third at \$2.35 trillion.

include warlords or a military regime with nuclear weapons, major emigration that would impose a heavy burden on Japan, Korea, Southeast Asia, and potentially the United States. [Ref 90] A civil war could also ignite simmering ethnic and religious tensions on China's western borders, completely engulfing East as well as Central Asia in major civil unrest.

If, on the other hand, China is able to sustain its economic reforms, with Chinese political reforms someday catching up,

'The size of China's displacement of the world balance is such that the world must find a new balance in 30 to 40 years.' [Ref 90]

Is there reason for alarm in China's rise in relative power? For most of recorded history, China has been more developed, prosperous, sophisticated and civilized than the West. [Ref 90] However, due to the past two hundred years of history, China shares with turn-of-the-century Germany the sense of wounded pride, the annoyance of a giant that has been battered and cheated by the rest of the world. [Ref 90] If history teaches us anything, it is that war is the result of redressing perceived injustices due to the difficulty that the world has in accommodating newly powerful nations. [Ref 90] Comprehensive engagement<sup>58</sup> of China will contribute significantly to global peace and stability by accommodating

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<sup>58</sup> Term used in November 1993 by Secretary of State Warren Christopher and Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord.



China's rise in the global and regional balance of power politics game, ensuring that appropriate limits of power are established for all major powers, and inhibiting fascist nationalism that could occur if China is continuously shunned by the "Western" world.

#### **6. From Containment of Common Enemies to Engagement on Common Interests**

In the century or more before 1941 the United States and Great Britain had no treaty of alliance, but acted as allies none the less. Where identity of interests exists between the parties, a treaty usually is not necessary; where it does not exist, often a treaty is not kept. [Ref 84]

The United States can no longer pretend to build security frameworks on containing common enemies. It must begin to build security frameworks based on common interests such as the welfare of human beings, economic prosperity, environmental protection, freer trade, and non-proliferation of weapons of mass destruction. In the post-Cold war era,

all of the Southeast Asian states have declared that economic success is their number one priority. ... This region-wide concentration on economic prosperity ... is making the national interests of individual Southeast Asian countries more aligned with each other. [Ref 6]

As the national interests of individual countries are more aligned with one another, the likelihood of war between them decreases. [Ref 6]

While United States National Security Advisor Anthony Lake calls this enlargement, [Ref. 91] there is no need to restrict enlargement to those countries described as

democratic market economies (continuing the personality-based, Cold War ideological paradigm). This policy may be more realistic, more inclusive, less prejudicial and more internationally acceptable if enlargement was based upon open market-driven societies<sup>59</sup> with peaceful coexistence as the ultimate goal.

Multilateral dialogues based on common interests are already being pursued by South Korea, Japan, the United States, and China in approaching the nuclear issue of North Korea. As part of this evolving process, South Korean Foreign Minister Han Sungjoo has called for a "mini-CSCE" in Northeast Asia. The "mini-CSCE" could potentially take up not only security issues but also political and economic problems on an issue-by-issue approach to manage and prevent crisis and conflict. [Ref. 92] When Secretary of State Warren Christopher discussed the "mini-CSCE" with South Korean Foreign Minister Han in July 1993 (prior to the ASEAN PMC), they

agreed to work together for security cooperation in the region ... (and that) this subregional security dialogue can go together with and possibly complement the ongoing regional security consultations at the ASEAN-PMC. [Ref. 93]

In Southeast Asia, similar multilateral arrangements for preventive diplomacy are being pursued by ASEAN.

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<sup>59</sup> Expressed in this manner, each state can be free to provide its own perception of open market-driven societies (which the United States calls democracy), without exposing the United States to charges of cultural imperialism.

The purpose is completely different than the purpose you had in Europe during the Cold War. Here we are not forming blocs against a common enemy. We are having potential enemies, potential antagonists, sitting around the table talking to each other directly. [Ref. 94]

At the July 1993 ASEAN PMC, the foreign ministers noted a convergence of views among participants on the need to find ways to promote consultations on regional political and security issues. [Ref. 95]

The ASEAN foreign ministers endorsed a proposal of the senior officials to invite China, Laos, Papua New Guinea, Russia and Vietnam to meet ASEAN ministers and dialogue partners (United States, European Community, Canada, Australia, New Zealand, and South Korea) at the ASEAN Regional Forum in Bangkok next year. [Ref 95] The climax of the meeting came when ASEAN ministers agreed to establish an advisory council for security cooperation. The new body - called the Council for Security Cooperation in Asia-Pacific (CSCAP) - will allow military and intelligence officials to meet in a private capacity with security specialists from universities and research institutes to draw up proposals on dispute settlement and confidence building for governments to consider. [Ref. 96] Significantly, Malaysia's defence minister called "for the region to treat China as a partner instead of a threat" and Sarasin Viraphol, a Director-General in the Thai Foreign Ministry, said that

without an alternative to replace or supplement the Cold War security structure of military alliances anchored by the United States, the economic gains achieved by East Asia over the past few decades could be jeopardized.[Ref 96]

While there is ample evidence of the possibility to build forums for security dialogue in the EA/P region, any attempt to build a collective security defense structure in Asia, similar to NATO, should be avoided as extremely premature. Southeast Asia is adamantly against turning ASEAN into any form of a defense alliance (they do not collectively perceive China or Japan as a threat), and historical distrust between Japan, Korea and China prohibits the formation of any collective security alliance in Northeast Asia.<sup>60</sup>  
[Ref. 97]

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<sup>60</sup> Informal academic discussions by military officers on maritime collective security measures in East Asia have been conducted by the Center for International Security and Arms Control at Stanford University. Russia, Japan, and the United States were represented at the first session. Russia, China, and the United States were represented at the second session. Tokyo would not authorize a naval officer to attend the second session due to the presence of a Chinese naval officer.

## **VI. CONCLUSION: THE ROAD AHEAD**

Realizing that the best contribution to global peace and stability starts at home, the United States must continue to pull itself out of the last thirty years of slow-motion economic and social decay. While the United States has global responsibilities, its resources are limited and responsibilities must begin by protecting its people at home. Establishing a balanced budget (the same as each American does), shifting to a consumption-based tax system, adopting a limited (yet adequate) industrial policy, paying off an enormous national debt, and reinvigorating the American people with the civic values that must be fostered to secure the American experiment can no longer be placed on the back burner. Leadership begins by example.

Abroad, long range trends indicate that the United States will be actively involved and committed in EA/P stability and progress. United States national interests in the region are significant and rapidly growing. As the United States continues its efforts at economic renewal, fresh approaches and new security frameworks, built on common interests, must be fostered to consider the interests and concerns of all nations.

Southeast Asia is developing in its own way, at its own pace, and will "democratize" as conditions allow. The

dislocations between the market-driven countries and the former centrally-planned countries are enormous. In addition, the interests of Southeast Asian nations are not always compatible with ours. While the United States continues to capitalize on its peace dividend, the countries of Southeast Asia will be forced to pick up any perceived slack in American presence that may be seen as a security vacuum, or wait for China or Japan to pick it up for them. It does not appear that Southeast Asia is going to allow that to happen. The countries are cooperating more in open defense arrangements, military to military exercises, and joint planning for humanitarian or disaster relief operations. Clearly, the United States can no longer be their security guarantor.

There must be a constant and continuing reassessment of our national interests. Just how long can the United States claim global leadership, when so much leadership has been lacking at home. How long can the United States keep pushing for global democracy when it could not even build one in the Philippines? How long can the United States continue to push its values on others without being susceptible to charges of cultural imperialism? Even George Washington was ready to turn the military loose on United States citizens for failing to respect constitutionally derived laws and disrupting unity and domestic tranquility. Most Southeast Asian countries do not have over two hundred years of independence under their

belt, and Asian countries that do, such as China or Japan, may even have something to teach us at home.

Future policy making can no longer be a one-way street, as was done during the Cold War. Security planners must give constant consideration to the interests and images of other concerned nations. The United States does not always know what is best for other countries. The United States must learn to listen more, and talk less.

# APPENDIX A. UNITED STATES GLOBAL TWO-WAY TRADE

{In millions of dollars}

	1966	1970	1974	1978	1982	1986	1990	1992
<u>INDUSTRIAL/DEVELOPED</u>	<u>37783</u>	<u>59166</u>	<u>128116</u>	<u>184094</u>	<u>260877</u>	<u>389420</u>	<u>555273</u>	<u>580525</u>
CANADA	12834	20175	43704	63019	80512	113995	176739	191448
ASIA*	6701	12480	28163	45130	69905	122741	157615	162771
EUROPE	17585	25660	54499	75945	110614	152684	220919	226306
<u>PERCENTAGES</u>								
CANADA	0.34	0.34	0.34	0.34	0.31	0.29	0.32	0.33
ASIA	0.18	0.21	0.22	0.25	0.27	0.32	0.28	0.28
EUROPE	0.47	0.43	0.43	0.41	0.42	0.39	0.40	0.39
<u>DEVELOPING</u>	<u>17916</u>	<u>23446</u>	<u>74946</u>	<u>132517</u>	<u>187858</u>	<u>212683</u>	<u>349197</u>	<u>391131</u>
AFRICA	2099	2558	10160	18507	24398	14866	22166	21734
ASIA	5365	7424	20408	30567	52410	98187	164972	200198
MIDDLE EAST	1521	1809	11493	33205	32665	19161	33671	37265
WESTERN HEM	9513	12372	35525	46251	73193	75183	121143	147597
OTHER COUNTRIES**	464	711	2901	9150	9659	7552	12901	12989
<u>PERCENTAGES</u>								
AFRICA	0.12	0.11	0.14	0.14	0.13	0.07	0.06	0.06
ASIA	0.30	0.32	0.27	0.23	0.28	0.46	0.47	0.51
MIDDLE EAST	0.08	0.08	0.15	0.25	0.17	0.09	0.10	0.10
WESTERN HEM	0.53	0.53	0.47	0.35	0.39	0.35	0.35	0.38
OTHER	0.03	0.03	0.04	0.07	0.05	0.04	0.04	0.03
<u>TOTAL TWO-WAY TRADE</u>	<u>56080</u>	<u>83191</u>	<u>206503</u>	<u>329812</u>	<u>467156</u>	<u>604367</u>	<u>910126</u>	<u>1000016</u>
TOTAL ASIA***	12066	19904	48571	75697	122315	220928	322587	362969
TOTAL EUROPE	17585	25660	54499	75945	110614	152684	220919	226306
TOTAL WESTERN HEM	22347	32547	79229	109270	153705	189178	297882	339045
<u>PERCENTAGES</u>								
ASIA	0.22	0.24	0.24	0.23	0.26	0.37	0.35	0.36
EUROPE	0.31	0.31	0.26	0.23	0.24	0.25	0.24	0.23
WESTERN HEM	0.40	0.39	0.38	0.33	0.33	0.31	0.33	0.34

\* JAPAN, NEW ZEALAND, AND AUSTRALIA

\*\* INCLUDES THE FORMER SOVIET UNION/WARSAW PACT ALONG WITH THOSE NOT INCLUDED ELSEWHERE

\*\*\* OF WHICH OVER 96.5% IS EAST ASIA

SOURCE: INTERNATIONAL MONETARY FUND. ANNUAL DIRECTION OF TRADE STATISTICS.



# APPENDIX B. UNITED STATES TWO-WAY TRADE

{In millions of dollars}

	1966	1970	1974	1978	1982	1986	1990	1992
<b>TOTAL ASIA</b>	12066	19904	48571	75697	122315	220928	322587	362969
<b>JAPAN</b>	5336	10527	24004	39356	60897	112339	141655	147245
<b>SOUTH KOREA</b>	424	1007	3107	7247	11540	19852	33686	31992
<b>GREATER CHINA</b>	999	2427	7247	6573	13762	47626	73372	95229
<b>AUSTRALIA</b>	1059	1596	3274	4764	7241	8424	13500	12884
<b>NEW ZEALAND</b>	306	357	885	1010	1767	1978	2460	2642
<b>SOUTHEAST ASIA</b>	1832	2580	8500	13290	21784	23799	47572	61440
<b>ASEAN</b>	1478	2203	7608	13252	21696	23737	47521	61366
<b>OTHER ASIA*</b>	2110	1410	1554	3457	5324	6910	10342	11537
<b>PERCENTAGES</b>								
<b>JAPAN</b>	0.44	0.53	0.49	0.52	0.50	0.51	0.44	0.41
<b>SOUTH KOREA</b>	0.04	0.05	0.06	0.10	0.09	0.09	0.10	0.09
<b>GREATER CHINA</b>	0.08	0.12	0.15	0.09	0.11	0.22	0.23	0.26
<b>AUSTRALIA</b>	0.09	0.08	0.07	0.06	0.06	0.04	0.04	0.04
<b>NEW ZEALAND</b>	0.03	0.02	0.02	0.01	0.01	0.01	0.01	0.01
<b>SOUTHEAST ASIA</b>	0.15	0.13	0.18	0.18	0.18	0.11	0.15	0.17
<b>ASEAN</b>	0.12	0.13	0.18	0.18	0.18	0.11	0.15	0.17
<b>OTHER ASIA</b>	0.17	0.07	0.03	0.05	0.04	0.03	0.03	0.03
<b>GREATER CHINA</b>	999	2427	7247	6573	13762	47626	73372	95229
<b>TAIWAN</b>	354	1076	3684	**	**	26775	35477	41011
<b>HONG KONG</b>	645	1351	2633	5392	8348	12504	16792	19335
<b>MAINLAND</b>	**	**	930	1181	5414	8347	21103	34883
<b>SOUTHEAST ASIA</b>	1832	2580	8500	13290	21784	23799	47572	61440
<b>BURMA</b>	27	12	7	34	52	31	43	46
<b>CAMBODIA</b>	3	3	181	**	2	1	**	16
<b>LAOS</b>	10	9	20	2	2	**	1	7
<b>VIETNAM</b>	314	353	684	2	32	30	7	5
<b>ASEAN</b>	1478	2203	7608	13252	21696	23737	47521	61366
<b>BRUNEI</b>	**	**	**	197	298	266	231	483
<b>INDONESIA</b>	239	446	2344	4657	6534	4621	5578	7482
<b>MALAYSIA</b>	223	337	1203	2324	3695	4264	8921	12936
<b>PHILIPPINES</b>	746	849	1916	2386	3810	3513	6095	7376
<b>SINGAPORE</b>	66	321	1578	2581	5488	8264	18115	21180
<b>THAILAND</b>	204	250	567	1107	1871	2809	8581	11909

\* OTHER ASIA INCLUDES AFGANISTAN, BANGLADESH, FIJI, FRENCH POLYNESIA, GUM, INDIA, KIRIBATI, MACAO, MALDIVES, MALIU, NEPAL, NEW CALEDONIA, PAKISTAN, PAPUA NEW GUINEA, SOLOMON ISLANDS, SRI LANKA, TONGA, TUVALU, VANUATU, WESTERN SAMOA

\*\* DATA UNAVAILABLE OR TRADE IS LESS THAN \$500,000

SOURCE: INTERNATIONAL MONETARY FUND. ANNUAL DIRECTION OF TRADE STATISTICS.

# APPENDIX C. UNITED STATES GLOBAL EXPORTS

{In millions of dollars}

	1966	1970	1974	1978	1982	1986	1990	1992
<u>INDUSTRIAL/DEVELOPED</u>	<u>20134</u>	<u>29898</u>	<u>63339</u>	<u>82552</u>	<u>117195</u>	<u>138490</u>	<u>251170</u>	<u>261827</u>
<u>CANADA</u>	<u>6681</u>	<u>9084</u>	<u>19932</u>	<u>28372</u>	<u>33720</u>	<u>45333</u>	<u>82959</u>	<u>90156</u>
<u>ASIA*</u>	<u>3159</u>	<u>5722</u>	<u>13288</u>	<u>16200</u>	<u>26398</u>	<u>33314</u>	<u>58320</u>	<u>57984</u>
<u>EUROPE</u>	<u>9893</u>	<u>14479</u>	<u>28959</u>	<u>37980</u>	<u>57077</u>	<u>59843</u>	<u>109891</u>	<u>113687</u>
<u>PERCENTAGES</u>								
<u>CANADA</u>	<u>0.33</u>	<u>0.30</u>	<u>0.31</u>	<u>0.34</u>	<u>0.29</u>	<u>0.33</u>	<u>0.33</u>	<u>0.34</u>
<u>ASIA</u>	<u>0.16</u>	<u>0.19</u>	<u>0.21</u>	<u>0.20</u>	<u>0.23</u>	<u>0.24</u>	<u>0.23</u>	<u>0.22</u>
<u>EUROPE</u>	<u>0.49</u>	<u>0.48</u>	<u>0.46</u>	<u>0.46</u>	<u>0.49</u>	<u>0.43</u>	<u>0.44</u>	<u>0.43</u>
<u>DEVELOPING</u>	<u>10118</u>	<u>12977</u>	<u>32669</u>	<u>54900</u>	<u>86888</u>	<u>77304</u>	<u>137788</u>	<u>181426</u>
<u>AFRICA</u>	<u>732</u>	<u>914</u>	<u>1989</u>	<u>4237</u>	<u>6968</u>	<u>3944</u>	<u>5692</u>	<u>6794</u>
<u>ASIA</u>	<u>3440</u>	<u>4023</u>	<u>9287</u>	<u>12139</u>	<u>23807</u>	<u>29456</u>	<u>60774</u>	<u>74068</u>
<u>MIDDLE EAST</u>	<u>1116</u>	<u>1437</u>	<u>5580</u>	<u>13970</u>	<u>19126</u>	<u>10442</u>	<u>13314</u>	<u>19938</u>
<u>WESTERN HEM</u>	<u>4773</u>	<u>6534</u>	<u>15813</u>	<u>22031</u>	<u>33591</u>	<u>31071</u>	<u>53960</u>	<u>75739</u>
<u>OTHER COUNTRIES**</u>	<u>255</u>	<u>422</u>	<u>2513</u>	<u>6494</u>	<u>7220</u>	<u>3889</u>	<u>8196</u>	<u>9035</u>
<u>PERCENTAGES</u>								
<u>AFRICA</u>	<u>0.07</u>	<u>0.07</u>	<u>0.06</u>	<u>0.08</u>	<u>0.08</u>	<u>0.05</u>	<u>0.04</u>	<u>0.04</u>
<u>ASIA</u>	<u>0.34</u>	<u>0.31</u>	<u>0.28</u>	<u>0.22</u>	<u>0.27</u>	<u>0.38</u>	<u>0.44</u>	<u>0.41</u>
<u>MIDDLE EAST</u>	<u>0.11</u>	<u>0.11</u>	<u>0.17</u>	<u>0.25</u>	<u>0.22</u>	<u>0.14</u>	<u>0.10</u>	<u>0.11</u>
<u>WESTERN HEM</u>	<u>0.47</u>	<u>0.50</u>	<u>0.48</u>	<u>0.40</u>	<u>0.39</u>	<u>0.40</u>	<u>0.39</u>	<u>0.42</u>
<u>OTHER</u>	<u>0.03</u>	<u>0.03</u>	<u>0.08</u>	<u>0.12</u>	<u>0.08</u>	<u>0.05</u>	<u>0.06</u>	<u>0.05</u>
<u>TOTAL EXPORTS</u>	<u>30450</u>	<u>43228</u>	<u>98521</u>	<u>143762</u>	<u>212274</u>	<u>217292</u>	<u>393106</u>	<u>448164</u>
<u>TOTAL ASIA***</u>	<u>6599</u>	<u>9795</u>	<u>22575</u>	<u>28339</u>	<u>50205</u>	<u>62770</u>	<u>119094</u>	<u>132052</u>
<u>TOTAL EUROPE</u>	<u>9893</u>	<u>14479</u>	<u>28959</u>	<u>37980</u>	<u>57077</u>	<u>59843</u>	<u>109891</u>	<u>113687</u>
<u>TOTAL WESTERN HEM</u>	<u>11454</u>	<u>15618</u>	<u>35745</u>	<u>50403</u>	<u>67311</u>	<u>76404</u>	<u>136919</u>	<u>165895</u>
<u>PERCENTAGES</u>								
<u>ASIA</u>	<u>0.22</u>	<u>0.23</u>	<u>0.23</u>	<u>0.20</u>	<u>0.24</u>	<u>0.29</u>	<u>0.30</u>	<u>0.29</u>
<u>EUROPE</u>	<u>0.32</u>	<u>0.33</u>	<u>0.29</u>	<u>0.26</u>	<u>0.27</u>	<u>0.28</u>	<u>0.28</u>	<u>0.25</u>
<u>WESTERN HEM</u>	<u>0.38</u>	<u>0.36</u>	<u>0.36</u>	<u>0.35</u>	<u>0.32</u>	<u>0.35</u>	<u>0.35</u>	<u>0.37</u>

\* JAPAN, AUSTRALIA, AND NEW ZEALAND

\*\* INCLUDES THE FORMER SOVIET UNION/WARSAW PACT ALONG WITH THOSE NOT INCLUDED ELSEWHERE

\*\*\* OF WHICH OVER 97% IS TO EAST ASIA

SOURCE: INTERNATIONAL MONETARY FUND. ANNUAL DIRECTION OF TRADE STATISTICS.

**APPENDIX D. UNITED STATES EXPORTS TO ASIA**  
{In millions of dollars}

	<u>1966</u>	<u>1970</u>	<u>1974</u>	<u>1978</u>	<u>1982</u>	<u>1986</u>	<u>1990</u>	<u>1992</u>
<u>TOTAL ASIA</u>	<u>6599</u>	<u>9795</u>	<u>22575</u>	<u>28339</u>	<u>50205</u>	<u>62770</u>	<u>119094</u>	<u>132052</u>
<u>JAPAN</u>	<u>2371</u>	<u>4652</u>	<u>10679</u>	<u>12885</u>	<u>20966</u>	<u>26882</u>	<u>48585</u>	<u>47764</u>
<u>SOUTH KOREA</u>	<u>339</u>	<u>637</u>	<u>1546</u>	<u>3160</u>	<u>5529</u>	<u>6355</u>	<u>14399</u>	<u>14630</u>
<u>GREATER CHINA</u>	<u>466</u>	<u>933</u>	<u>3116</u>	<u>2449</u>	<u>5365</u>	<u>11660</u>	<u>23208</u>	<u>31744</u>
<u>AUSTRALIA</u>	<u>661</u>	<u>985</u>	<u>2157</u>	<u>2910</u>	<u>4535</u>	<u>5551</u>	<u>8602</u>	<u>8913</u>
<u>NEW ZEALAND</u>	<u>127</u>	<u>135</u>	<u>452</u>	<u>405</u>	<u>897</u>	<u>881</u>	<u>1133</u>	<u>1307</u>
<u>SOUTHEAST ASIA</u>	<u>978</u>	<u>1468</u>	<u>3891</u>	<u>4678</u>	<u>9891</u>	<u>8603</u>	<u>18972</u>	<u>23992</u>
<u>ASEAN</u>	<u>632</u>	<u>1094</u>	<u>3012</u>	<u>4645</u>	<u>9823</u>	<u>8557</u>	<u>18944</u>	<u>23982</u>
<u>OTHER ASIA*</u>	<u>1657</u>	<u>986</u>	<u>734</u>	<u>1852</u>	<u>3022</u>	<u>2838</u>	<u>4195</u>	<u>3702</u>
<u>PERCENTAGES</u>								
<u>JAPAN</u>	<u>0.36</u>	<u>0.47</u>	<u>0.47</u>	<u>0.45</u>	<u>0.42</u>	<u>0.43</u>	<u>0.41</u>	<u>0.36</u>
<u>SOUTH KOREA</u>	<u>0.05</u>	<u>0.07</u>	<u>0.07</u>	<u>0.11</u>	<u>0.11</u>	<u>0.10</u>	<u>0.12</u>	<u>0.11</u>
<u>GREATER CHINA</u>	<u>0.07</u>	<u>0.10</u>	<u>0.14</u>	<u>0.09</u>	<u>0.11</u>	<u>0.19</u>	<u>0.19</u>	<u>0.24</u>
<u>AUSTRALIA</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.09</u>	<u>0.09</u>	<u>0.07</u>	<u>0.07</u>
<u>NEW ZEALAND</u>	<u>0.02</u>	<u>0.01</u>	<u>0.02</u>	<u>0.01</u>	<u>0.02</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
<u>SOUTHEAST ASIA</u>	<u>0.15</u>	<u>0.15</u>	<u>0.17</u>	<u>0.17</u>	<u>0.20</u>	<u>0.14</u>	<u>0.16</u>	<u>0.18</u>
<u>ASEAN</u>	<u>0.10</u>	<u>0.11</u>	<u>0.13</u>	<u>0.16</u>	<u>0.20</u>	<u>0.14</u>	<u>0.16</u>	<u>0.18</u>
<u>OTHER ASIA</u>	<u>0.25</u>	<u>0.10</u>	<u>0.03</u>	<u>0.07</u>	<u>0.06</u>	<u>0.05</u>	<u>0.04</u>	<u>0.03</u>
<u>GREATER CHINA</u>	<u>466</u>	<u>933</u>	<u>3116</u>	<u>2449</u>	<u>5365</u>	<u>11660</u>	<u>23208</u>	<u>31744</u>
<u>TAIWAN</u>	<u>237</u>	<u>527</u>	<u>1427</u>	<u>**</u>	<u>**</u>	<u>5524</u>	<u>11560</u>	<u>15205</u>
<u>HONG KONG</u>	<u>229</u>	<u>406</u>	<u>882</u>	<u>1625</u>	<u>2453</u>	<u>3030</u>	<u>6841</u>	<u>9069</u>
<u>MAINLAND</u>	<u>**</u>	<u>**</u>	<u>807</u>	<u>824</u>	<u>2912</u>	<u>3106</u>	<u>4807</u>	<u>7470</u>
<u>SOUTHEAST ASIA</u>	<u>978</u>	<u>1468</u>	<u>3891</u>	<u>4678</u>	<u>9891</u>	<u>8603</u>	<u>18972</u>	<u>23992</u>
<u>BURMA</u>	<u>24</u>	<u>11</u>	<u>5</u>	<u>30</u>	<u>34</u>	<u>16</u>	<u>20</u>	<u>4</u>
<u>CAMBODIA</u>	<u>2</u>	<u>2</u>	<u>180</u>	<u>**</u>	<u>2</u>	<u>**</u>	<u>**</u>	<u>**</u>
<u>LAOS</u>	<u>9</u>	<u>8</u>	<u>19</u>	<u>1</u>	<u>**</u>	<u>**</u>	<u>1</u>	<u>1</u>
<u>VIETNAM</u>	<u>311</u>	<u>352</u>	<u>675</u>	<u>2</u>	<u>32</u>	<u>30</u>	<u>7</u>	<u>5</u>
<u>ASEAN</u>	<u>632</u>	<u>1094</u>	<u>3012</u>	<u>4645</u>	<u>9823</u>	<u>8557</u>	<u>18944</u>	<u>23982</u>
<u>BRUNEI</u>	<u>**</u>	<u>**</u>	<u>**</u>	<u>35</u>	<u>79</u>	<u>202</u>	<u>139</u>	<u>453</u>
<u>INDONESIA</u>	<u>60</u>	<u>264</u>	<u>531</u>	<u>751</u>	<u>2025</u>	<u>946</u>	<u>1897</u>	<u>2778</u>
<u>MALAYSIA</u>	<u>46</u>	<u>67</u>	<u>377</u>	<u>728</u>	<u>1736</u>	<u>1730</u>	<u>3425</u>	<u>4396</u>
<u>PHILIPPINES</u>	<u>348</u>	<u>373</u>	<u>747</u>	<u>1040</u>	<u>1854</u>	<u>1363</u>	<u>2472</u>	<u>2753</u>
<u>SINGAPORE</u>	<u>51</u>	<u>240</u>	<u>988</u>	<u>1462</u>	<u>3214</u>	<u>3380</u>	<u>8019</u>	<u>9620</u>
<u>THAILAND</u>	<u>128</u>	<u>150</u>	<u>369</u>	<u>629</u>	<u>915</u>	<u>936</u>	<u>2992</u>	<u>3962</u>

\* OTHER ASIA INCLUDES AFGANISTAN, BANGLADESH, FIGI, FRENCH POLYNESIA, GUM, INDIA, KIRIBATI, MACAO, MALDIVES, MALU, NEPAL, NEW CALEDONIA, PAKISTAN, PAPUA NEW GUINEA, SOLOMON ISLANDS, SRI LANKA, TONGA, TUVALU, VANUATU, WESTERN SAMOA

\*\* DATA NOT AVAILABLE OR LESS THAN \$500,000

SOURCE: INTERNATIONAL MONETARY FUND. ANNUAL DIRECTION OF TRADE STATISTICS.

**APPENDIX E. UNITED STATES GLOBAL IMPORTS**  
{In millions of dollars}

	<u>1966</u>	<u>1970</u>	<u>1974</u>	<u>1978</u>	<u>1982</u>	<u>1986</u>	<u>1990</u>	<u>1992</u>
<u>INDUSTRIAL/DEVELOPED</u>	<u>17649</u>	<u>29268</u>	<u>60084</u>	<u>101542</u>	<u>143682</u>	<u>250930</u>	<u>304103</u>	<u>318698</u>
<u>CANADA</u>	<u>6152</u>	<u>11091</u>	<u>23772</u>	<u>34647</u>	<u>46792</u>	<u>68662</u>	<u>93780</u>	<u>101292</u>
<u>ASIA*</u>	<u>3543</u>	<u>6708</u>	<u>14812</u>	<u>28930</u>	<u>43353</u>	<u>89427</u>	<u>99295</u>	<u>104787</u>
<u>EUROPE</u>	<u>7694</u>	<u>11181</u>	<u>25540</u>	<u>39429</u>	<u>55333</u>	<u>95737</u>	<u>114227</u>	<u>115555</u>
<u>PERCENTAGES</u>								
<u>CANADA</u>	<u>0.35</u>	<u>0.38</u>	<u>0.40</u>	<u>0.34</u>	<u>0.33</u>	<u>0.27</u>	<u>0.31</u>	<u>0.32</u>
<u>ASIA</u>	<u>0.20</u>	<u>0.23</u>	<u>0.25</u>	<u>0.28</u>	<u>0.30</u>	<u>0.36</u>	<u>0.33</u>	<u>0.33</u>
<u>EUROPE</u>	<u>0.44</u>	<u>0.38</u>	<u>0.43</u>	<u>0.39</u>	<u>0.39</u>	<u>0.38</u>	<u>0.38</u>	<u>0.36</u>
<u>DEVELOPING</u>	<u>7798</u>	<u>10469</u>	<u>42277</u>	<u>77617</u>	<u>100970</u>	<u>135379</u>	<u>211409</u>	<u>232900</u>
<u>AFRICA</u>	<u>966</u>	<u>1081</u>	<u>6358</u>	<u>14270</u>	<u>17430</u>	<u>10922</u>	<u>16474</u>	<u>14650</u>
<u>ASIA</u>	<u>1925</u>	<u>3401</u>	<u>11121</u>	<u>18428</u>	<u>28603</u>	<u>68731</u>	<u>104198</u>	<u>126130</u>
<u>MIDDLE EAST</u>	<u>405</u>	<u>372</u>	<u>5086</u>	<u>19235</u>	<u>13539</u>	<u>8719</u>	<u>20357</u>	<u>17327</u>
<u>WESTERN HEM</u>	<u>4739</u>	<u>5839</u>	<u>19712</u>	<u>24220</u>	<u>39602</u>	<u>44112</u>	<u>67183</u>	<u>71858</u>
<u>OTHER COUNTRIES**</u>	<u>209</u>	<u>289</u>	<u>835</u>	<u>1176</u>	<u>641</u>	<u>767</u>	<u>1296</u>	<u>1018</u>
<u>PERCENTAGES</u>								
<u>AFRICA</u>	<u>0.12</u>	<u>0.10</u>	<u>0.15</u>	<u>0.18</u>	<u>0.17</u>	<u>0.08</u>	<u>0.08</u>	<u>0.06</u>
<u>ASIA</u>	<u>0.25</u>	<u>0.32</u>	<u>0.26</u>	<u>0.24</u>	<u>0.28</u>	<u>0.51</u>	<u>0.49</u>	<u>0.54</u>
<u>MIDDLE EAST</u>	<u>0.05</u>	<u>0.04</u>	<u>0.12</u>	<u>0.25</u>	<u>0.13</u>	<u>0.06</u>	<u>0.10</u>	<u>0.07</u>
<u>WESTERN HEM</u>	<u>0.61</u>	<u>0.56</u>	<u>0.47</u>	<u>0.31</u>	<u>0.39</u>	<u>0.33</u>	<u>0.32</u>	<u>0.31</u>
<u>OTHER</u>	<u>0.03</u>	<u>0.03</u>	<u>0.02</u>	<u>0.02</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.00</u>
<u>TOTAL IMPORTS</u>	<u>25630</u>	<u>39963</u>	<u>108012</u>	<u>186050</u>	<u>254882</u>	<u>387075</u>	<u>517020</u>	<u>552616</u>
<u>TOTAL ASIA***</u>	<u>5468</u>	<u>10109</u>	<u>25933</u>	<u>47358</u>	<u>71956</u>	<u>158158</u>	<u>203493</u>	<u>230917</u>
<u>TOTAL EUROPE</u>	<u>7691</u>	<u>11181</u>	<u>25540</u>	<u>39429</u>	<u>55333</u>	<u>95737</u>	<u>114227</u>	<u>115555</u>
<u>TOTAL WESTERN HEM</u>	<u>10891</u>	<u>16930</u>	<u>43484</u>	<u>58867</u>	<u>86394</u>	<u>112774</u>	<u>160963</u>	<u>173150</u>
<u>PERCENTAGES</u>								
<u>ASIA</u>	<u>0.21</u>	<u>0.25</u>	<u>0.24</u>	<u>0.25</u>	<u>0.28</u>	<u>0.41</u>	<u>0.39</u>	<u>0.42</u>
<u>EUROPE</u>	<u>0.30</u>	<u>0.28</u>	<u>0.24</u>	<u>0.21</u>	<u>0.22</u>	<u>0.25</u>	<u>0.22</u>	<u>0.21</u>
<u>WESTERN HEM</u>	<u>0.42</u>	<u>0.42</u>	<u>0.40</u>	<u>0.32</u>	<u>0.34</u>	<u>0.29</u>	<u>0.31</u>	<u>0.31</u>

\* JAPAN, AUSTRALIA, AND NEW ZEALAND

\*\* INCLUDES THE FORMER SOVIET UNION/WARSAW PACT ALONG WITH THOSE NOT INCLUDED ELSEWHERE

\*\*\* OF WHICH OVER 97% IS TO EAST ASIA

SOURCE: INTERNATIONAL MONETARY FUND. ANNUAL DIRECTION OF TRADE STATISTICS.

# APPENDIX F. UNITED STATES IMPORTS FROM ASIA

{In millions of dollars}

	1966	1970	1974	1978	1982	1986	1990	1992
<u>TOTAL ASIA</u>	<u>5468</u>	<u>10109</u>	<u>25933</u>	<u>47358</u>	<u>71956</u>	<u>158158</u>	<u>203493</u>	<u>230917</u>
<u>JAPAN</u>	<u>2965</u>	<u>5875</u>	<u>13325</u>	<u>26471</u>	<u>39931</u>	<u>85457</u>	<u>93070</u>	<u>99481</u>
<u>SOUTH KOREA</u>	<u>85</u>	<u>370</u>	<u>1561</u>	<u>4087</u>	<u>6011</u>	<u>13497</u>	<u>19287</u>	<u>17362</u>
<u>GREATER CHINA</u>	<u>533</u>	<u>1494</u>	<u>4131</u>	<u>4124</u>	<u>8397</u>	<u>35966</u>	<u>50164</u>	<u>63485</u>
<u>AUSTRALIA</u>	<u>398</u>	<u>611</u>	<u>1117</u>	<u>1854</u>	<u>2552</u>	<u>2873</u>	<u>4898</u>	<u>3971</u>
<u>NEW ZEALAND</u>	<u>180</u>	<u>222</u>	<u>370</u>	<u>605</u>	<u>870</u>	<u>1097</u>	<u>1327</u>	<u>1335</u>
<u>SOUTHEAST ASIA</u>	<u>852</u>	<u>1112</u>	<u>4609</u>	<u>8612</u>	<u>11893</u>	<u>15196</u>	<u>28600</u>	<u>37432</u>
<u>ASEAN</u>	<u>845</u>	<u>1109</u>	<u>4596</u>	<u>8607</u>	<u>11873</u>	<u>15180</u>	<u>28577</u>	<u>37384</u>
<u>OTHER ASIA*</u>	<u>455</u>	<u>425</u>	<u>820</u>	<u>1605</u>	<u>2302</u>	<u>4072</u>	<u>6147</u>	<u>7851</u>
<u>PERCENTAGES</u>								
<u>JAPAN</u>	<u>0.54</u>	<u>0.58</u>	<u>0.51</u>	<u>0.56</u>	<u>0.55</u>	<u>0.54</u>	<u>0.46</u>	<u>0.43</u>
<u>SOUTH KOREA</u>	<u>0.02</u>	<u>0.04</u>	<u>0.06</u>	<u>0.09</u>	<u>0.08</u>	<u>0.09</u>	<u>0.09</u>	<u>0.08</u>
<u>GREATER CHINA</u>	<u>0.10</u>	<u>0.15</u>	<u>0.16</u>	<u>0.09</u>	<u>0.12</u>	<u>0.23</u>	<u>0.25</u>	<u>0.27</u>
<u>AUSTRALIA</u>	<u>0.07</u>	<u>0.06</u>	<u>0.04</u>	<u>0.04</u>	<u>0.04</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
<u>NEW ZEALAND</u>	<u>0.03</u>	<u>0.02</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
<u>SOUTHEAST ASIA</u>	<u>0.16</u>	<u>0.11</u>	<u>0.18</u>	<u>0.18</u>	<u>0.17</u>	<u>0.10</u>	<u>0.14</u>	<u>0.16</u>
<u>ASEAN</u>	<u>0.15</u>	<u>0.11</u>	<u>0.18</u>	<u>0.18</u>	<u>0.17</u>	<u>0.10</u>	<u>0.14</u>	<u>0.16</u>
<u>OTHER ASIA</u>	<u>0.08</u>	<u>0.04</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>
<u>GREATER CHINA</u>	<u>533</u>	<u>1494</u>	<u>4131</u>	<u>4124</u>	<u>8397</u>	<u>35966</u>	<u>50164</u>	<u>63485</u>
<u>TAIWAN</u>	<u>117</u>	<u>549</u>	<u>2257</u>	<u>**</u>	<u>**</u>	<u>21251</u>	<u>23917</u>	<u>25806</u>
<u>HONG KONG</u>	<u>416</u>	<u>945</u>	<u>1751</u>	<u>3767</u>	<u>5895</u>	<u>9474</u>	<u>9951</u>	<u>10266</u>
<u>MAINLAND</u>	<u>**</u>	<u>**</u>	<u>123</u>	<u>357</u>	<u>2502</u>	<u>5241</u>	<u>16296</u>	<u>27413</u>
<u>SOUTHEAST ASIA</u>	<u>852</u>	<u>1112</u>	<u>4609</u>	<u>8612</u>	<u>11893</u>	<u>15196</u>	<u>28600</u>	<u>37432</u>
<u>BURMA</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>4</u>	<u>18</u>	<u>15</u>	<u>23</u>	<u>42</u>
<u>CAMBODIA</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>LAOS</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>VIETNAM</u>	<u>2</u>	<u>1</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>ASEAN</u>	<u>845</u>	<u>1109</u>	<u>4596</u>	<u>8607</u>	<u>11873</u>	<u>15180</u>	<u>28577</u>	<u>37384</u>
<u>BRUNEI</u>	<u>**</u>	<u>**</u>	<u>**</u>	<u>162</u>	<u>219</u>	<u>64</u>	<u>92</u>	<u>30</u>
<u>INDONESIA</u>	<u>179</u>	<u>182</u>	<u>1813</u>	<u>3906</u>	<u>4509</u>	<u>3675</u>	<u>3681</u>	<u>4704</u>
<u>MALAYSIA</u>	<u>177</u>	<u>270</u>	<u>826</u>	<u>1596</u>	<u>1959</u>	<u>2534</u>	<u>5496</u>	<u>8540</u>
<u>PHILIPPINES</u>	<u>398</u>	<u>476</u>	<u>1169</u>	<u>1346</u>	<u>1956</u>	<u>2150</u>	<u>3623</u>	<u>4623</u>
<u>SINGAPORE</u>	<u>15</u>	<u>81</u>	<u>590</u>	<u>1119</u>	<u>2274</u>	<u>4884</u>	<u>10096</u>	<u>11560</u>
<u>THAILAND</u>	<u>76</u>	<u>100</u>	<u>198</u>	<u>478</u>	<u>956</u>	<u>1873</u>	<u>5589</u>	<u>7927</u>

\* OTHER ASIA INCLUDES AFGANISTAN, BANGLADESH, FIGI, FRENCH POLYNESIA, GUAM, INDIA, KIRIBATI, MACAO, MALDIVES, MALIU, NEPAL, NEW CALEDONIA, PAKISTAN, PAPUA NEW GUINEA, SOLOMON ISLANDS, SRI LANKA, TONGA, TUVALU, VANUATU, WESTERN SAMOA

\*\* DATA NOT AVAILABLE OR LESS THAN \$500,000

SOURCE: INTERNATIONAL MONETARY FUND. ANNUAL DIRECTION OF TRADE STATISTICS.

# APPENDIX G. UNITED STATES DIRECT INVESTMENT ABROAD

{In millions of dollars}

	1950	1957	1966	1978	1984	1990	1992	AVERAGE ANNUAL RATE OF RETURN 1987-1991*
<u>INDUSTRIAL/DEVELOPED</u>	5696	14038	35290	121230	157123	323081	353739	12.5
CANADA	3579	8769	15713	36396	46730	69106	68432	8.5
ASIA**	245	816	2696	12336	17364	40607	45918	10.3
EUROPE	1733	4151	16391	70647	91589	213368	239389	14.0
<u>PERCENTAGES</u>								
CANADA	0.63	0.62	0.45	0.30	0.30	0.21	0.19	
ASIA	0.04	0.06	0.08	0.10	0.11	0.13	0.13	
EUROPE	0.30	0.30	0.46	0.58	0.58	0.66	0.68	
<u>DEVELOPING</u>	5736	10315	13866	37584	49153	103877	132933	15.5
AFRICA	146	363	1344	2546	4456	3592	3518	19.3
ASIA	692	1138	1462	6214	15045	22978	32245	22.9
MIDDLE EAST	321	761	1308	-2946	5025	4007	5814	20.7
WESTERN HEM	4577	8052	9752	31770	24627	70752	88860	12.4
<u>INTERNATIONAL</u>	356	1041	2636	3913	5204	2548	2496	3.9
<u>PERCENTAGES</u>								
AFRICA	0.03	0.04	0.10	0.07	0.09	0.03	0.03	
ASIA	0.12	0.11	0.11	0.17	0.31	0.22	0.24	
MIDDLE EAST	0.06	0.07	0.09	-0.08	0.10	0.04	0.04	
WESTERN HEM	0.80	0.78	0.70	0.85	0.50	0.68	0.67	
OTHER	0.06	0.10	0.19	0.10	0.11	0.02	0.02	
<u>TOTAL INVESTMENTS</u>	11788	25394	51792	162727	211480	426958	486670	13.1
TOTAL ASIA***	937	1954	4158	18550	32409	63585	78163	16.6
TOTAL EUROPE	1733	4151	16391	70647	91589	213368	239389	14.0
TOTAL WESTERN HEM	8156	16821	25465	68166	71357	139858	157292	10.5
<u>PERCENTAGES</u>								
ASIA	0.08	0.08	0.08	0.11	0.15	0.15	0.16	
EUROPE	0.15	0.16	0.32	0.43	0.43	0.50	0.49	
WESTERN HEM	0.69	0.66	0.49	0.42	0.34	0.33	0.32	

\* ROUGH ESTIMATE OBTAINED BY DIVIDING ANNUAL INCOME BY INVESTMENT POSITION.

\*\* JAPAN, NEW ZEALAND, AND AUSTRALIA

\*\*\* OF WHICH OVER 97% IS IN EAST ASIA

SOURCE: UNITED STATES DEPARTMENT OF COMMERCE. SURVEY OF CURRENT BUSINESS AND UNITED STATES DIRECT INVESTMENT ABROAD

# APPENDIX H. UNITED STATES DIRECT INVESTMENT IN ASIA

{In millions of dollars}

	1950	1957	1966	1978	1984	1990	1992	AVERAGE ANNUAL RATE OF RETURN 1987-1991*
<u>TOTAL ASIA**</u>	<u>937</u>	<u>1954</u>	<u>4158</u>	<u>18550</u>	<u>32409</u>	<u>63585</u>	<u>78163</u>	<u>16.6</u>
<u>JAPAN</u>	<u>19</u>	<u>185</u>	<u>731</u>	<u>5406</u>	<u>7936</u>	<u>22511</u>	<u>26213</u>	<u>11.2</u>
<u>SOUTH KOREA</u>	<u>****</u>	<u>****</u>	<u>42</u>	<u>418</u>	<u>716</u>	<u>2677</u>	<u>2779</u>	<u>10.2</u>
<u>GREATER CHINA</u>	<u>7</u>	<u>16</u>	<u>184</u>	<u>1817</u>	<u>4198</u>	<u>8564</u>	<u>11883</u>	<u>20.3</u>
<u>AUSTRALIA</u>	<u>201</u>	<u>583</u>	<u>1855</u>	<u>6473</u>	<u>8918</u>	<u>14997</u>	<u>16697</u>	<u>12.0</u>
<u>NEW ZEALAND</u>	<u>25</u>	<u>48</u>	<u>110</u>	<u>457</u>	<u>510</u>	<u>3099</u>	<u>3008</u>	<u>7.8</u>
<u>SOUTHEAST ASIA</u>	<u>228</u>	<u>523</u>	<u>730</u>	<u>3514</u>	<u>9471</u>	<u>11041</u>	<u>16731</u>	<u>26.5</u>
<u>OTHER ASIA***</u>	<u>86</u>	<u>222</u>	<u>352</u>	<u>615</u>	<u>1159</u>	<u>696</u>	<u>852</u>	<u>10.2</u>
<u>GREATER CHINA</u>	<u>7</u>	<u>16</u>	<u>184</u>	<u>1817</u>	<u>4198</u>	<u>8564</u>	<u>11883</u>	<u>20.3</u>
<u>TAIWAN</u>	<u>****</u>	<u>4</u>	<u>58</u>	<u>310</u>	<u>736</u>	<u>2214</u>	<u>2870</u>	<u>20.3</u>
<u>HONG KONG</u>	<u>7</u>	<u>12</u>	<u>126</u>	<u>1507</u>	<u>3253</u>	<u>5994</u>	<u>8544</u>	<u>20.3</u>
<u>MAINLAND</u>	<u>****</u>	<u>****</u>	<u>****</u>	<u>****</u>	<u>209</u>	<u>356</u>	<u>469</u>	<u>****</u>
<u>SOUTHEAST ASIA****</u>	<u>228</u>	<u>523</u>	<u>730</u>	<u>3514</u>	<u>9471</u>	<u>11041</u>	<u>16731</u>	<u>26.5</u>
<u>BRUNEI</u>	<u>****</u>	<u>****</u>	<u>****</u>	<u>5</u>	<u>1</u>	<u>26</u>	<u>42</u>	<u>****</u>
<u>INDONESIA</u>	<u>58</u>	<u>169</u>	<u>106</u>	<u>1253</u>	<u>4093</u>	<u>3175</u>	<u>4278</u>	<u>41.2</u>
<u>MALAYSIA</u>	<u>18</u>	<u>35</u>	<u>57</u>	<u>355</u>	<u>1101</u>	<u>1513</u>	<u>1714</u>	<u>29.5</u>
<u>PHILIPPINES</u>	<u>149</u>	<u>306</u>	<u>486</u>	<u>933</u>	<u>1263</u>	<u>1355</u>	<u>1565</u>	<u>14.5</u>
<u>SINGAPORE</u>	<u>****</u>	<u>****</u>	<u>****</u>	<u>726</u>	<u>1932</u>	<u>3183</u>	<u>6631</u>	<u>27.6</u>
<u>THAILAND</u>	<u>3</u>	<u>13</u>	<u>51</u>	<u>242</u>	<u>1081</u>	<u>1789</u>	<u>2459</u>	<u>19.8</u>
<u>BURMA</u>							<u>42</u>	

\* ROUGH ESTIMATE OBTAINED BY DIVIDING ANNUAL INCOME BY INVESTMENT POSITION.

\*\* OF WHICH OVER 97% IS IN EAST ASIA

\*\*\* OTHER ASIA INCLUDES INDIA, AFGANISTAN, BANGLADESH, MICRONESIA, FIJI, FRENCH ISLANDS, MACAU, MARSHALL ISLANDS, PAKISTAN, PALAU, PAPUA NEW GUINEA, SRI LANKA, TONGA, UNITED KINGDOM ISLANDS, VANUATU, AND WESTERN SAMOA

\*\*\*\* DATA IS UNAVAILABLE OR SUPPRESSED TO AVOID DISCLOSURE OF DATA OF INDIVIDUAL COMPANIES

\*\*\*\*\* THE UNITED STATES CURRENTLY HAS LESS THAN \$500,000 INVESTED IN VIETNAM, CAMBODIA, AND LAOS.

SOURCE: UNITED STATES DEPARTMENT OF COMMERCE. SURVEY OF CURRENT BUSINESS AND UNITED STATES DIRECT INVESTMENT ABROAD.

# APPENDIX I. UNITED STATES MILITARY FORCES IN FOREIGN AREAS

{In thousands}

	<u>FY64</u>	<u>FY68</u>	<u>FY72</u>	<u>FY76</u>	<u>FY80</u>	<u>FY82</u>	<u>FY84</u>	<u>FY86</u>	<u>FY88</u>	<u>FY90</u>	<u>FY92</u>
<u>TOTAL FORCES</u>	2685	3547	2322	2081	2040	2097	2138	2169	2138	2069	1808
<u>PERCENT FORWARD</u>	0.28	0.34	0.26	0.22	0.24	0.25	0.24	0.24	0.25	0.29	0.22
<u>GERMANY</u>	263	225	210	213	244	256	254	250	249	228	168
<u>OTHER EUROPE</u>	119	66	62	61	65	67	73	75	74	64	58
<u>EUROPE AFLOAT</u>	54	23	26	41	22	33	25	33	33	18	17
<u>SOUTH KOREA</u>	63	67	41	39	39	39	41	43	46	41	39
<u>JAPAN</u>	89	79	64	45	46	51	46	48	50	47	47
<u>OTHER PACIFIC</u>	27	37	25	27	15	15	16	17	17	15	8
<u>PACIFIC AFLOAT</u>	52	94	51	24	16	33	18	20	28	16	16
<u>LATIN AMERICA</u>					11	11	13	13	15	20	20
<u>MISCELLANEOUS*</u>	88	609	116	8	31	23	25	26	29	160	20
<u>TOTAL EUROPE</u>	436	314	298	315	331	356	352	358	356	310	243
<u>TOTAL PACIFIC</u>	231	277	181	135	116	138	121	128	141	119	110
<u>TOTAL FOREIGN</u>	755	1200	595	460	489	528	511	525	541	609	393
<u>PERCENT EUROPE</u>	0.58	0.26	0.50	0.68	0.68	0.67	0.69	0.68	0.66	0.51	0.62
<u>PERCENT PACIFIC</u>	0.31	0.23	0.30	0.29	0.24	0.26	0.24	0.24	0.26	0.20	0.28
<u>PERCENT OTHER</u>	0.12	0.51	0.19	0.02	0.09	0.06	0.07	0.07	0.08	0.30	0.10

\* FY64 INCLUDES 4,000 IN THAILAND AND 16,000 IN S. VIETNAM

FY68 INCLUDES 48,000 IN THAILAND AND 534,000 IN S. VIETNAM

FY72 INCLUDES 47,000 IN THAILAND AND 47,000 IN S. VIETNAM

FY90 INCLUDES 118,000 SHOREBASED AND 39,000 AFLOAT IN SUPPORT OF OPERATION DESERT STORM

SOURCE: SECRETARY OF DEFENSE. ANNUAL REPORT TO THE PRESIDENT AND THE CONGRESS.



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